

The background features a complex design of overlapping circles and geometric patterns. A large orange circle at the top right contains a faint world map. Below it, a blue circle with a network of white lines and dots is visible. To the left, another blue circle features a white line graph. The bottom left corner is filled with a pattern of small, light gray dots. The text is contained within a white rectangular box on the right side of the orange circle.

# Sustainability Report 2016

2016 Mirae Asset Securities  
Sustainability Report

---

## ABOUT THIS REPORT

### About This Report

---

This is the fourth sustainability report of Mirae Asset Securities, which has been published every two years since 2012. Through the publication of this report, we would like to share and communicate our performance and efforts in pursuit of sustainable values with our stakeholders.

### Period of the Report

---

This report covers our performance from January to December 2015. It also includes data up to June 2016 for significant activities. For quantitative performances, the report indicates data of three years from 2013 so that readers can compare changing trends.

### Boundaries of the Report

---

The reporting scope is confined to the headquarters of the Company, branches, some of overseas affiliates, headquarters of the Mirae Asset Group and the social contribution foundation. Financial data are compiled with the consolidated and separate K-IFRS (Korean International Financial Reporting Standard), and the separate standards are distinctively indicated. Information on the amount of energy use and GHG emissions is based on additional standards, and social contributions are based on the social contribution system and activities of the Mirae Asset Park Hyeon Joo Foundation.

### Standards and Verification of the Report

---

This report is produced in accordance with the GRI (Global Reporting Initiative) G4 Guidelines' 'Core Option'. To secure the reliability and fairness of its process, disclosed data, and content, the report was verified by a third-party assurance institution.

### Inquiries on the Report

---

For any additional information or inquiry about the report, please contact the following.

**[www.smartmiraeasset.com](http://www.smartmiraeasset.com)**

Mirae Asset CENTER1 B/D East Tower, 15F~19F,  
26, Eulji-ro 5-gil, Jung-gu, Seoul 04539 Korea  
TEL: 02-3774-6708  
FAX: 02-3774-6705

# CONTENTS

---

---

## ABOUT MIRAE ASSET SECURITIES

CEO Message	04
Company Profile	08
Business Areas	10

---

## CORE ISSUE

<b>1. Mirae Asset exists for customers</b>	<b>16</b>
1.1 Protection of Financial Consumers	16
1.2 Raising Customer Values	20
Special Report: Smart Asset Management Service	23
<b>2. We have independence and competitive advantages as a professional investment group</b>	<b>26</b>
2.1 Development of Competitive Products	26
2.2 Differentiated Competitiveness for Asset Management	28
2.3 Advancement into the Global Financial Market	32
<b>3. We respect individuals and trust the value of team play</b>	<b>35</b>
3.1 Development of Global Talents	35
<b>4. Recognizing and Practicing Social Responsibilities</b>	<b>39</b>
4.1 Social Contribution	39

---

## MANAGEMENT REPORT

Corporate Governance	44
Risk Management	46
Compliance Management	48
Talent Management	51
Eco-friendly Management	53
Stakeholder Engagement and Materiality Assessment	54
Financial Data	56
Economic / Social / Environmental Performance Data	58

---

## APPENDIX

Third Party's Assurance Statement	66
GRI G4 Contents Index	68
UNGC Principle	72
Awards and Memberships	73
Glossary	74
List of Authors	75

## CEO Message

“ We promise to fulfill our roles as a company that provides better values to customers and contributes to the sustainable growth of Korea. ”





### Dear distinguished stakeholders,

We appreciate your sincere support and encouragement for Mirae Asset Securities.

It is a great pleasure to share our vision deemed to be invaluable, the performance so far, and our commitment for the future through the 2016 Sustainability Report.

Despite greater uncertainties in the external environment in the era of the new normal, we have strived to grow together with our customers by placing top values on the two goals: 'strengthening our alliance with customers through higher quality' and 'expanding our basis for growth through innovation'. We will lay the foundation to jump up higher as Asia's representative global investment bank, while securing our presence as Korea's No.1 securities company by merging with Mirae Asset Daewoo.

Under the vision, 'We pursue excellence in investment management to help our clients achieve their long-term objectives', Mirae Asset Securities touts its customer assets exceeding KRW 70 trillion as of June, 2016 and pension assets including personal pension and retirement pension surpassing KRW 6 trillion. Integration with Mirae Asset Daewoo is carried out discreetly, yet promptly, to finalize it within the year. As Korea's No.1 securities company, Mirae Asset Securities will contribute to maturation of the Korean capital market and restoration of economic dynamism through investment in the domestic venture capital and global high-yield assets.

We will also strive to be engaged in scholarship projects to foster global talents, and charity works for the underprivileged so that we could share corporate growth with the society and create a new flow in social contribution. We will make further efforts so that our social contribution activities could become pioneering efforts in the field. Our milestones of challenges and innovation will continue on down the road.

Distinguished stakeholders,

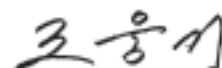
In 2016, Mirae Asset Securities stands at a critical juncture which represents a breakthrough in the capital market. We will make further development to lead the rapidly evolving capital market. Employees at Mirae Asset Securities promise to do their best for us to become Asia's top-notch investment bank beyond being the No. 1 securities company.

We truly appreciate your trust in our endeavors and sincerely ask for your generous support.

June, 2016

Mirae Asset Securities Co., Ltd.

CEO **Cho, Woong kee**



# ABOUT MIRAE ASSET SECURITIES

CEO Message

04

Company Profile

08

Business Areas

10







# Company Profile

Mirae Asset Securities is a global asset management expert in pursuit of raising profits for customers by offering comprehensive asset management services by distributing global assets suited to customers' investment propensity and purpose. We manage 17 subsidiaries in 11 countries including advanced capital markets such as the U.S. and the U.K., following our entry into the Asia-Pacific region as of December 2015, while fully leveraging the Mirae Asset Group's global network.

## CHINA

Mirae Asset Huachen Fund Management (China)  
Mirae Asset Yicai Investment Consulting (China)  
Mirae Asset Global Investments – Shanghai Representative Office  
Mirae Asset Securities – Beijing Representative Office

## UK

Mirae Asset Global Investments (UK)

## INDIA

Mirae Asset Global Investments (India)

## VIETNAM

Mirae Asset Wealth Management Securities (Vietnam)  
Mirae Asset Finance Company (Vietnam)  
Mirae Asset Global Investments – HCM Representative Office

## HK

Mirae Asset Global Investments (HK)  
Mirae Asset Wealth Management (HK)

## KOREA

Mirae Asset Global Investments  
Mirae Asset Securities  
Mirae Asset Life Insurance

## TAIWAN

Mirae Asset Global Investments (Taiwan)

**AUSTRALIA**  
BetaShares  
(Australia)

## Key Milestones

1999	Established Mirae Asset Securities (capital stock of KRW 50 billion)
2000	Started selling mutual funds
2003	Initiated investment discretionary contracting (discretionary maps wrap)
2005	Founded the Mirae Asset Retirement Pension Institute as the first of its kind in Korea
2006	Mirae Asset Securities listed in the securities market
2007	Established Mirae Asset Securities (Hong Kong) and Mirae Asset Securities (Vietnam) Founded the Beijing Office
2008	Established Mirae Asset Securities (U.K.) and Mirae Asset Securities (U.S.) Established Investment Consulting (Shanghai)
2009	Opened the Hanoi Branch of Mirae Asset Securities (Vietnam) Opened the WM Center (Gangnam)
2010	Established Mirae Asset Securities (Brazil)

2011	Mirae Asset Securities, exceeding KRW 1 trillion for the retirement pension reserves Mirae Asset Securities (Brazil), starting the Web Trading System (WTS) service
2012	Mirae Asset Securities, exceeding KRW 2 trillion for the retirement pension reserves
2013	Exceeded KRW 1 trillion in the sales of Brazilian government bonds Signed a business cooperation agreement with Jefferies LLC of the U.S.
2014	Mirae Asset Securities, exceeding KRW 1 trillion for the personal pension assets Korea Securities Depository, selected as a custodian for Brazilian government bonds
2015	Mirae Asset Securities, exceeding KRW 6 trillion for the pension assets Relocated the U.S. subsidiary from NY to LA
2016	Completing the acquisition of Mirae Asset Daewoo



CEO Message

&gt; Company Profile

Business Areas

## USA

Mirae Asset Global Investments (USA)  
Horizons ETFs (USA)  
Mirae Asset Wealth Management (USA)

## CANADA

Horizons ETFs (Canada)

## BRAZIL

Mirae Asset Global Investments (Brazil)  
Mirae Asset Wealth Management (Brazil)

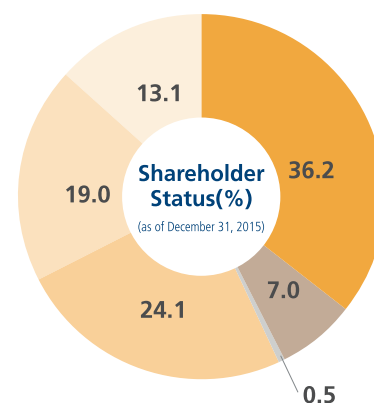
## COLOMBIA

Horizons ETFs (LatAm)

## Company Profile

As of the end of 2015

Company name	Mirae Asset Securities Co., Ltd.
Date of foundation	December 2, 1999
Date of listing	February 15, 2006
No. of total stocks issued (Common stock)	114,285,871 shares
Total assets	KRW 28.416 trillion (in the consolidated basis)
Shareholders' equity	KRW 3.4287 trillion (in the basis of equity attributable to equity holders)
Net income	KRW 169.8 billion (in the basis of equity attributable to equity holders)
Number of employees	1,857
Number of branches	76
NCR (Net Capital Ratio)	836%
Credit rating	AA (issued by Korea Investors Service)



## Status of Overseas Subsidiaries

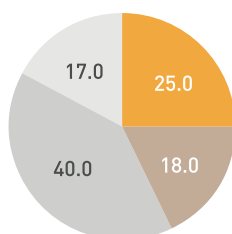
As for the overseas subsidiaries of Mirae Asset Securities as of December-end, 2015, we have four overseas subsidiaries and one overseas office with 78 employees in total.

Subsidiary Name	Year of Establishment	Scope of Business	Capital Stock (KRW 100 million)	Employees (number of employees)
Mirae Asset Wealth Management (USA)	September 2008	Asset management, brokerage, PI	221	6
Mirae Asset Wealth Management Securities (Vietnam)	December 2007	Asset management, brokerage, PI, IB	174	30
Mirae Asset Wealth Management (Brazil)	September 2010	Asset management, brokerage, PI, IB	1,086	30
Mirae Asset Wealth Management (HK)	January 2007	Asset management, brokerage, PI	2,516	10
Mirae Asset (Beijing)	July 2007	Research, consulting		2

# Business Areas

Portion of yield  
(Unit: %)

Asset management  
Brokerage  
Investment banking & training  
Financial account



## Asset Management

Mirae Asset Securities is leading the area of asset management by proposing a customer-oriented and advanced model as 'a global asset management expert'. We have contributed to the development of the domestic capital market by settling the culture of long-term and indirect investment through installment funds. We also provide advanced stable financial products including a monthly paid Brazil national bond trust, monthly paid real estate fund and monthly paid ELS / DLS as well as global network-based overseas funds. Moreover, we have increased the portion of stability-focused products including derivative-linked securities and debentures (ELS, ELB, DLS and DLB) with the 'no knock-in and low knock-in' structure amid the highly volatile market environment. With our top priority on higher profits for customers, a wide range of product lineups are offered to customers.

Mirae Asset Securities provides comprehensive asset management services through various portfolios including beneficiary certificates, stocks, trust, wrap account, derivative-linked securities and debentures (ELS, ELB, DLS and DLB), personal pension and bancassurance. As of March-end, 2016, we have customer assets amounting to KRW 68.9 trillion, equity funds of KRW 4.4 trillion and 1.5 million CMA accounts.

## Brokerage & Dealing

### Brokerage

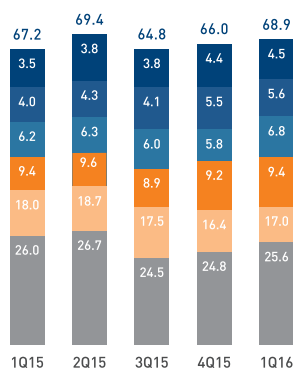
It refers to a brokerage service for trading securities in the name of a financial investment company upon the receipt of customers' trading order whereby profits or losses are attributable to customers and Mirae Asset Securities receives a certain amount of fees from customers. Brokerage fee income based on separate standards in 2015 stood at KRW 116.4 billion, and the market share of stock brokerage based on the contract standard amounted to 7.4% (including dealing).

### Dealing

It refers to a securities trading service based on corporate funds. For Mirae Asset Securities, most of the dealing services include futures and option trading, and bond trading.

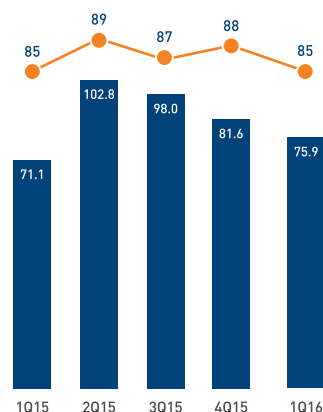
Total customer assets  
(Unit: KRW trillion)

Depository assets  
Funds  
Bonds, RP, CMA, Bancassurance  
Trust  
ELS, DLS  
Retirement pension



Brokerage contracts  
(Unit: KRW trillion)

Portion of online (%)  
Consignment contracts



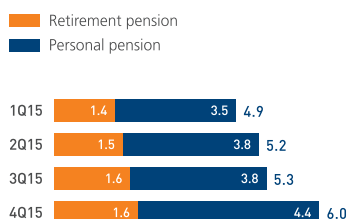
CEO Message

Company Profile

&gt; Business Areas

**Pension asset balance**

(Unit: KRW trillion)

**Investment Banking**

Our comprehensive financial service includes IPO, paid-in capital increase, corporate acquisition, PEF (Private Equity Fund) management, M&A consulting, arranging and acquiring ABS issuance, PF, SOC, and real estate finance to satisfy customers' needs. We managed the PEF of Mirae Asset Partners No.7 that took over Acushnet (owning global golf brands e.g. Titleist and Footjoy) as a joint General Partner (GP) with Mirae Asset Global Investment. As such, we could reinforce our competencies in global IB.

**Global Business**

As a result of making steady investment in overseas projects with a long-term perspective as an emerging market expert, Mirae Asset Securities manages one overseas office (Beijing) and four overseas subsidiaries (Hong Kong, Vietnam, U.S. and Brazil) as of December-end 2015. We conduct local business including brokerage based on the global network, and maximize synergies between the headquarters and the global network by supplying diverse financial products including overseas government bonds and real estate funds.

**Pension Business**

We proactively initiate our business expansion as well as pension business through competitive products and differentiated consulting services. Specialists including labor attorneys, tax attorneys and CFA charter holders efficiently manage customers' pension assets by leveraging the next-generation pension system. They offer diverse pension training programs and comprehensive retirement planning services including online training programs, group training and seminars. As a consequence, customers' retirement pension reserves under our management as of December-end, 2015 stand at KRW 4.3939 trillion along with the personal pension of KRW 1.6613 trillion.



## SPECIAL FOCUS

### Korea that is aging too rapidly

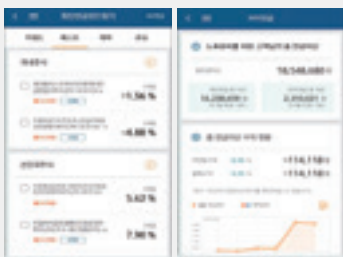
	2015	2050
Portion of the population aged 65 or higher	13.1%	35.9% (2)
Expected life expectancy (years old)	80.0	84.2 (5)
Population (number of people)	KRW 50.62 million	45 million ~ 48 million

\*Statistics Korea, 2015 Population Household Statistics  
U.S. Census Bureau, An Aging World 2015  
Numbers in the bracket for 2050 are the national rankings.

### Mirae Asset Retirement Institute Podcast



### Mirae Asset Pension Management App



- Taking a glimpse of personal pensions and retirement pensions
- Offering the one-stop service including pension subscription, trading, ceiling management and management instructions
- Various pension content for preparation for elderly life
- Providing a pension calculator to calculate future pension benefits to receive

## Pension Business

### Why & Impact

The average continuous service year for employees in Korea is only 6.1 years in this age of centenarians. Moreover, the importance of the second-tier retirement pension and the third-tier personal pension is rising for employees in Korea due to the 'three-lows (low interest rate, low growth and low birth rate)'. Pension is firming its presence as a critical pillar to enhance sustainability in the society. In this critical juncture, our pension business holds more implications than one of the businesses of Mirae Asset Securities. It is a social calling shared by all in the Company.

### Global Asset Allocation Retirement Pension Wrap

The new structure of the national economy in Korea demands fundamental changes in managing pension assets. Management of pension assets tilted to principal and interest-guaranteed ones in Korea will not become a complete solution to a comfortable post-retirement life. Rational profitmaking over the long term is made possible by appropriately allocating stability in advanced countries and growth potentials in emerging countries. Mirae Asset as an investment expert has advanced into the global market at an early phase. We are making pension assets that are consistently growing in scale by upgrading the Retirement Pension MP Wrap Service into 'Global Asset Allocation Retirement Pension Wrap' for the first time in the industry, using our experiences and know-how (September 2010).

### Mirae Asset Retirement Institute to Raise IQ for Retirement Planning

Mirae Asset strives to produce and train on relevant retirement planning content. Following the launch of the Mirae Asset Investment Education & Research Center, the Mirae Asset Retirement Pension Research Institute was established in 2005. The two institutes were integrated into the Mirae Asset Retirement Institute in 2013, which has contributed to increasing the retirement readiness IQ for employees in Korea in diverse areas including retirement funds, work, health and lifestyle.

### Mirae Asset Pension Management App

Although most of the public recognizes the importance of pension assets, it is not well managed due to their hectic lifestyle. Mirae Asset Securities launched the 'Mirae Asset Pension Management App' early this year so that anybody could manage a pension easily and conveniently anytime and anywhere. The app was designed for subscribers lacking in financial knowledge to manage their retirement assets in a self-driven manner, providing customized information to them in a timely manner. The pension management status of other subscribers is offered for them to refer to in their asset management.

## Activity & Performance

### Pension Market Achieving Sustainable Growth by Facilitating the Private Pension

The retirement pension market exceeded KRW 100 trillion in 2014 to reach KRW 124 trillion in 2015. The Defined Benefit (DB) reserve will grow from KRW 86 trillion in 2015 to KRW 155 trillion by 2024, while DC and IRP are forecast to grow from KRW 27.5 trillion to KRW 275 trillion in the same period, totaling KRW 430 trillion. The scale of retirement pensions against GDP will grow from 7% in 2014 to 22% in 2024, establishing themselves as second-tier pensions. The tax deductible personal pension market is steadily growing year to year, exceeding KRW 100 trillion as of 2014-end, and growing up to KRW 109 trillion as of 2015-end. As such, roles of the third-tier pension are being intensified driven by the government's proactive institutional improvement and tax benefits as an instrument to prepare for one's elderly life.

#### Scale of Pension Assets for Customers of Mirae Assets

Type	Mirae Asset Securities	Mirae Asset Daewoo	Mirae Asset Total
Retirement Pension	43,939	12,449	56,388
Personal Pension	16,613	1,593	18,207
Pension Asset Total	60,552	14,042	74,594

As of 2015-end. Financial Supervisory Service

### Business Performance of Retirement Pension

The reserve of our retirement pension in Q1 of 2016 stands at KRW 4.4614 trillion, ranking 10<sup>th</sup> among all the industries and 1<sup>st</sup> in the securities industry (excluding subsidiaries<sup>1</sup>). The DC reserve is ranked 7<sup>th</sup> with KRW 1.3 trillion (market share of 4.6%) in the financial industry and 1<sup>st</sup> in the securities industry (market share of 29%). The IRP reserve, meanwhile, amounts to KRW 393 billion, dramatically up KRW 245.3 billion from KRW 147.7 billion as of 2014-end. Mirae Asset Securities was ranked 1<sup>st</sup> in the financial industry with a high level of wages among companies which are DC-type retirement pension subscribers and 146 large business sites with over 1,000 employees whose continuous service year is long. Mirae Asset Securities will serve as the basis for the robust growth of DC-type retirement pensions.

#### 7-year average yield ranking in retirement pension for top 10 operators based on reserves as of 2015-end

Ranking	DB		DC		IRP	
	Operator	Yield	Operator	Yield	Yield	Yield
1 <sup>st</sup>	Mirae Asset Securities	4.77%	Mirae Asset Securities	5.66%	Bank B	4.77%
2 <sup>nd</sup>	Life Insurance A	4.20%	Bank B	5.04%	Life Insurance A	4.71%
3 <sup>rd</sup>	Bank B	4.19%	Life Insurance A	4.73%	Mirae Asset Securities	4.54%

As of 2015-end. Financial Supervisory Service

### Business Performance of Personal Pensions

Our policies to revitalize personal pensions throughout 2015 included focusing on enterprise-wide sales capacity, differentiated product competitiveness and simplified transfer of pension savings. As a consequence, the volume of personal pensions for our customers increased by 415.9 billion accounts from KRW 1.2454 trillion in 2014 to KRW 1.6613 trillion. This figure increased to KRW 1.7326 accounts as of 1Q 2016, putting ourselves in the first rank in the securities industry. As a consequence, the reserve of the pension business for retirement pensions and personal pensions reached KRW 6.1982 trillion as of 1Q 2016, enabling us to be reborn as a pension asset solution provider that leads the securities industry.

### Mirae Asset Daewoo – The Exclusive PB House

Mirae Asset successfully acquired Mirae Asset Daewoo (former Daewoo Securities) in April 2016. Under the slogan of becoming ‘the Exclusive PB House’, Mirae Asset Daewoo fully concentrated on the pension business. Its retirement pensions reached KRW 1.2499 trillion, up 25% from 2014, and its personal pensions amounted to 159.3 billion accounts by growing four times from 40.4 billion accounts as of 2014-end. The total pension asset of Mirae Asset Securities and Mirae Asset Daewoo is close to KRW 7.5 trillion.

## Monitoring & Future Plan

### Synergy 2020

Pension assets play pivotal roles to enhance the sustainability of our society. Mirae Asset Securities as an expert in global asset management and Mirae Asset Daewoo as the exclusive PB house will leverage their roles by being united as a pension solution provider focusing on basics and principles. If Mirae Asset Daewoo continuously takes the path of Mirae Asset Securities in the past decade of being involved in the pension business, synergies of Mirae Asset Daewoo will lead to the pension asset of KRW 20 trillion by 2020. Consequently, Mirae Asset’s DNA of making investment and solid presence in the market will serve as stronger competitiveness in the DC/IRP-type retirement pension market with rapid growth potentials.

#### Awards

- May 2014, Money Today, The 1<sup>st</sup> Korea Pension Award – Prize of Excellence in comprehensive retirement pension assessment
- Dec. 2014, The Asia Economy Daily, 2014 Asia Capital Investment Award – Prize of Excellence in retirement pensions
- Mar. 2015, Maeil Business Newspaper – Prize of Excellence for a business operator
- Mar. 2015, Korea Financial Investment Association, 1<sup>st</sup> Retirement Pension Award
- Apr. 2015, eDaily, Financial Investment Award – Prize of Top Excellence in the sale of retirement pension
- Dec. 2015, The Korea Economic Daily, Retirement Pension Award – Grand Prize



# CORE ISSUE

<b>1. Mirae Asset exists for customers</b>	<b>16</b>
1.1 Protection of Financial Consumers	16
1.2 Raising Customer Values	20
Special Report: Smart Asset Management Service	23
<b>2. We have independence and competitive advantages as a professional investment group</b>	<b>26</b>
2.1 Development of Competitive Products	26
2.2 Differentiated Competitiveness for Asset Management	28
2.3 Advancement into the Global Financial Market	32
<b>3. We respect individuals and trust the value of team play</b>	<b>35</b>
3.1 Development of Global Talents	35
<b>4. Recognizing and Practicing Social Responsibilities</b>	<b>39</b>
4.1 Social Contribution	39



## **1st Retirement Pension Award**

Mar. 2015,  
Korea Financial Investment Association



## **2nd Korea Retirement Pension Award**

Dec. 2015,  
Winning both the Grand Prize in retirement pension  
and the Ministerial Prize of Labor



## **2014 Compliance Award**

Korea Exchange - Prize of Excellence  
in the prevention of securities disputes





## 1

Mirae Asset exists for customers

## 1.1 Protection of Financial Consumers



## Why & Impact

Many financial products with a complicated structure which are hard for consumers to understand are launched as the global economic paradigm changes. Strengthening the policy to protect financial consumers in the non-competitive industrial structure and the current financial industrial structure with information asymmetry is not only the commitment of the policy authorities but also the due right of financial consumers. Mirae Asset Securities will grow driven by the customer trust by taking the lead in protecting financial consumers. Specifically, incomplete sales will be eradicated to protect the benefits and rights of consumers using financial products and services.

## Activity & Performance

## Activities to Protect Financial Consumers in the Entire Product Cycle

## Product Planning / Development Stage

Upon planning and developing new products, the Financial Consumer Protection Team reviews the new product manual, a letter of intent, marketing policies and terms and agreements from the perspective of protecting financial consumers and their rights. Based on the review, the team requests action plans for improvement to be submitted, and either approves or rejects them. Monitoring takes place in the form of total inspection on a yearly basis on whether prearrangement has been made. Omitted prearrangement is reflected in the evaluation of sectoral evaluation at year-end. Outside instructors are invited to train employees of the Product Planning / Development Department at the headquarters so that perspectives of financial consumers could be reflected in planning and developing products biannually. Complaints of financial consumers are compiled including customers' suggestions and petitions in the early stage of product planning and development so that financial consumers' feedback could be reflected.



Compensation service for incomplete sales

### Product Sales Stage

We have devised basic procedures and standards for employees to comply with upon selling financial products based on regulations to protect financial consumers and investment recommendation bylaws to protect financial consumers. We focus on prior management to prevent incomplete sales by establishing a checklist on complete sales by financial product, scripts for counseling and a system to standardize complete sales. Moreover, mystery shopping takes place for complete sales twice a quarter along with weekly role playing on complete sales for all branches. The results are reflected in the comprehensive evaluation of branches, manifesting our efforts to prevent incomplete sales.



Complete sales standardization system

## Post-Sales Stage

We provide the happy call service within seven days from the product sales to check out the presence of incomplete sales. We conduct on-site inspections for areas where the results of mystery shopping for complete sales are lacking in implementing the role playing and training for complete sales. We also block possibilities of incomplete sales even after selling products.



- > 1.1 Protection of Financial Consumers
- 1.2 Raising Customer Values
- Special Report: Smart Asset Management Service
- 2.1 Development of Competitive Products
- 2.2 Differentiated Competitiveness for Asset Management
- 2.3 Advancement into the Global Financial Market
- 3.1 Development of Global Talents
- 4.1 Social Contribution



Sales fee reimbursement service



Tele-financial fraud prevention service

### Financial Consumer Protection Training

We offer diverse types of training to protect financial consumers: collective training and complaint prevention training focused on role playing of the complete sales process through outside specialized instructors, targeting employees of all branches on a yearly basis; online training through the in-house learning center; and training on products with visits of employees in product-related departments to branches.

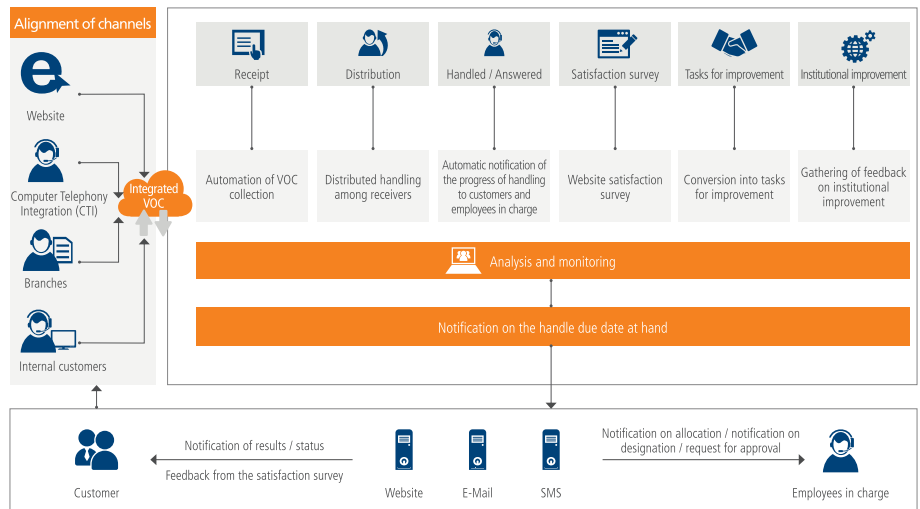
### Institutional Improvement Reflecting Customer Feedback

Mirae Asset Securities launched an integrated VOC system to freely suggest feedback via branch, website, customer center and email, etc. This enables us to listen to the VOC, and transfer compiled data to the Product Planning / Development Department so that financial consumers' feedback could be fully reflected. We also transparently disclose the decision-making process for institutional improvement by developing a process for handling institutional improvement, and manage the track records so that decision-making stakeholders could refer to them after many years have elapsed.

### Blocking of Falsified and Exaggerated Advertisements for Financial Investment Products

We are engaged in diverse activities to protect financial consumers by informing and training on the pre-review of investment advertisements for all employees. In order to thoroughly block falsified and exaggerated advertising, we periodically inspect the track records of advertising mobile messages sent by branches and sales departments, etc. We also implement routine management of the usage status of investment advertisements through spot checks in branches. We strive to prevent any damage to financial consumers by sharing cases of violation that are discovered and guiding violators.

### Composition of the VOC System Functions



### Protection Service for Financial Services

When cases of incomplete sales are identified, which is raised by customers within 15 business days including the product subscription day for financial products (targeting personal customers, excluding private equity) sold in our branches, we provide the 'compensation service for incomplete sales'. It is to compensate for the damage after the products are sold in accordance with the regulations for complaint handling. We also provide the 'sales fee reimbursement service' whereby we refund the sales fee received for sales when customers apply for repurchase (sell-off) within five business days including the subscription date after subscribing to cancellable financial investment products.

- > 1.1 Protection of Financial Consumers
  - 1.2 Raising Customer Values
  - Special Report: Smart Asset Management Service
  - 2.1 Development of Competitive Products
  - 2.2 Differentiated Competitiveness for Asset Management
  - 2.3 Advancement into the Global Financial Market
  - 3.1 Development of Global Talents
  - 4.1 Social Contribution



Additional authentication service



Personalized image designation service



ISMS Certificate



ISO 27001

### Tele-financial Fraud Prevention Service

We have implemented the 'terminal designation service' and 'additional authentication service' since September 26, 2013 for strengthening the security procedure during the (re)issuance of the Public Key Certificate and money transfer. Such efforts will help us prevent the damage from telecommunication financial frauds including voice phishing of financial consumers.

### Anti-phishing Personalized Image Designation Service

We introduced the anti-phishing personalized image designation service to prevent phishing and pharming among telecommunication financial frauds. Damage to financial consumers is prevented so that when customers access our website, the combination of images and letters designated by them can be distinguished from phishing and pharming sites.

### Actions against Fraudulent Transactions through the Fraud Detection System (FDS)

We operate the Fraud Detection System (FDS) to prevent customer damage due to telecommunication financial frauds in accordance with Article 2.5 (Temporary Measures on Users' Accounts) of the 'Special Act on Return of Damages by Telecommunication Financial Fraud'. Upon detecting suspicious transactions where customers' accounts are used for such purposes, raising concerns for telecommunication financial fraud using the FDS, money transfer or wiring for the entire or some of the customers' accounts is delayed or temporarily suspended. As such, we do the utmost to prevent damage to financial consumers.

## Protection of Customer Information

### Why & Impact





Information leakage from companies which are managed based on information assets would not only lower credit ratings and bring in financial damage but also significantly impact their survival. Information leakage in financial companies where customers' personal information is directly linked to financial transactions would induce secondary and tertiary damage, if misused. Moreover, it might lead to other social problems. Preemptive management is strengthened at a time when regulations and punishment related to the protection of financial consumer information are strengthened due to a series of personal information leakage which has occurred recently.

### Policy & Commitment

We acquired the 'ISO 27001', an international certification for the information protection standard and established an information protection system along with the Information Security Management System (ISMS). The purpose was to securely protect customers' information assets. We are prepared against cyber infringement risks through real-time monitoring and periodic simulation exercises. We strive to protect customers' information by designating the Chief Privacy Officer (CPO) and the Chief Information Security Officer (CISO) to be equipped with an enterprise-wide organizational system.

### Setup and Operation of the Information Protection System

We formed an exclusive information protection unit for the first time in the securities industry (March 2008), continuously establishing and implementing information protection policies. We strive to protect the information of financial consumers by managing information protection systems, inspecting and evaluating the system vulnerability and establishing protective measures, and monitoring, analyzing and responding to infringement accidents.

 User Protection	 Information Protection System	 Monitoring	 Education and Training
<ul style="list-style-type: none"> <li>• Preventing electronic financial fraud</li> <li>• Detecting fraudulent financial transactions</li> <li>• Using personalized images</li> </ul>	<ul style="list-style-type: none"> <li>• Blocking of DDoS attacks</li> <li>• Invasion detecting / blocking system</li> <li>• Web firewall system</li> </ul>	<ul style="list-style-type: none"> <li>• Integrated security control</li> <li>• Server / DB access control</li> <li>• NMS, ESM</li> </ul>	<ul style="list-style-type: none"> <li>• Simulation exercise for responding to infringement accidents</li> <li>• Training for the conversion of the disaster recovery center</li> <li>• Information protection training for employees</li> </ul>





## 1.1 Protection of Financial Consumers

## 1.2 Raising Customer Values

Special Report: Smart Asset Management Service

## 2.1 Development of Competitive Products

## 2.2 Differentiated Competitiveness for Asset Management

## 2.3 Advancement into the Global Financial Market

## 3.1 Development of Global Talents

## 4.1 Social Contribution

## Efforts to Form and Settle a Culture for Information Protection

We have managed the 'ME-Day (a new program standing for MIRAEASSET Ethics-Day, revealing Mirae Asset Securities' commitment for ethical compliance)' since 2016. It has been renewed to establish a culture for legal compliance and strengthen internal control. Moreover, we conduct emergency drills through the biannual 'inspection of information handling system vulnerabilities' and 'simulation exercise for responding to infringement accidents and the conversion of the disaster recovery center'. The results are reported to the CEO, manifesting the efforts of all employees to establish a culture for information protection.




## Activity &amp; Performance

## Personal Information Clean Campaign



We made principles for managing personal information to establish a culture for personal information protection. We prevent risks of massive information leakage through stringent management and control: automatic encoding of personal information files within the PC, a single channel for the delivery procedure via security webmail; and restriction in using PCs when the management ledger for personal information files is not registered.

## Mirae Asset Securities, Strengthening the Customer Information Protection through Cooperation with Related Institutions

We established and operate the Enterprise Security Management (ESM) to enable real-time analysis and response to security circumstances that are detected and blocked in individual information protection systems. Two-track inspection and analysis are made on the presence of an infringement accident by an internal information protection unit, Information Sharing & Analysis Center (ISAC) and security control companies. The results are routinely reported to the CISO in order to systematically protect customer information.

 <b>Customers</b>	<ul style="list-style-type: none"> <li>Establishing OPT tokens to prevent the exposure and leakage of security cards- Setting up a service to block overseas IP addresses to prevent e-financial frauds of customers who do not need financial transactions abroad</li> <li>Providing a service to set personalized images to identify the validity of the website to prevent leakage of customers' financial transaction information due to phishing and pharming- Establishing a service to prevent e-financial frauds to enable stricter authentication procedures during the (re)issuance of the Public Key Certificate and money transfer</li> <li>Detecting and analyzing customers' login information in real time by establishing the Fraud Detection System (FDS) for e-financial transactions starting from 2011- Identifying the truth by immediately contacting customers, if deemed fraudulent - Establishing a system for the registration of incidences linked with the internal information protection unit, Customer Support Center and other financial institutions</li> </ul>
 <b>Partner Companies</b>	<ul style="list-style-type: none"> <li>Conducting education on information protection for employees of outsourcing companies besides those of Mirae Asset Securities to enhance the enterprise-wide awareness about information protection</li> <li>Presenting a guideline for fiduciary outsourcing companies on personal information, and taking actions against companies failing to meet minimum standards for correction or their replacement</li> </ul>
 <b>Mirae Asset Securities</b>	<ul style="list-style-type: none"> <li>Preventing employees with authorization from arbitrary tracking on customer information by encrypting and storing customer information on the database</li> <li>Reinforcing the level of information security by annually signing a consulting contract with specialized company in information protection</li> <li>Establishing the Data Loss Prevention (DLP) system to prevent external breaches of any document personal information and encrypting automatically if any document is breached.</li> <li>Categorizing trainees into IT staff, information protection managers and executives, and conducting training on information protection</li> <li>Strengthening the information protection level by utilizing a pool of specialists, signing a yearly consulting agreement on security with companies specialized in information protection</li> <li>Certified with ISO 27001, the international standard of information protection system, and continuously maintaining and improving its abidance to the standard through follow-up analysis and renewal assessment</li> </ul>

## Monitoring &amp; Future Plan

 <b>External Programs</b>	<ul style="list-style-type: none"> <li>Raising the external creditability by complying with domestic and international standards through continued management and follow-up inspection on the information protection management system certification (ISO27001, ISMS)</li> </ul>
 <b>Internal Programs</b>	<ul style="list-style-type: none"> <li>Preventing damage to customers by advancing the Fraud Detection System (FDS) such as analysis of customer behavior based on big data, and blocking suspicious access and transactions</li> <li>Establishing a system to perform comprehensive analysis and monitoring on the status of ownership, handling, distribution and management of personal information enterprise-wide, and discover and block leakage risks in the initial stage</li> <li>Securing system safety through periodic and continuous system check-up by forming a system to routinely inspect weaknesses in the information handling system</li> </ul>

CORE ISSUE

1.2 Raising Customer Values

1

Mirae Asset exists for customers



Why & Impact

Customer satisfaction refers to continuously maintaining trust-based relationships with customers by catering to customers’ demands and expectations to the fullest. Mirae Asset is engaged in diverse activities through the integrated setup of an efficient customer satisfaction system in tandem with its belief, which is its first core value: “Mirae Asset exists for customers”. Customer satisfaction management is not only Mirae Asset’s strong driver and competitiveness but also a source of sustainability, which can be distinguished from other financial institutions’.

Policy & Commitment

‘Customer Alliance’ – a Value Proposition of Mirae Asset Securities

Mirae Asset Securities seeks to focus on enhancing quality under a goal to forge an alliance with customers beyond customer satisfaction. We strive to distinguish ourselves through customer value enhancement and innovation by providing high-quality products and services based on global asset distribution. By doing so, we strive to enhance and differentiate the customer value.

System for Customer Satisfaction Management



1.1 Protection of Financial Consumers

> 1.2 **Raising Customer Values**

Special Report: Smart Asset Management Service

2.1 Development of Competitive Products

2.2 Differentiated Competitiveness for Asset Management

2.3 Advancement into the Global Financial Market

3.1 Development of Global Talents

4.1 Social Contribution



WM Seminar (Yongsan Tower Branch)



WM Seminar (Apgujeong Branch)



WM Seminar (Yeosu Branch)



Oblige Club Logo

## Activity & Performance

### WM training for customer satisfaction

#### WM Seminars

We continue to run WM seminars in all branches nationwide, inviting a small number of customers to provide customized content which is differentiated. Additional budget is administered and extended to boost customer satisfaction. We have completed the computerization of the operation process to efficiently proceed with the seminars. A total of 34,876 customers attended the seminars which were held 5,098 times from 2014 to 2015, and our 956 new customers traded their assets worth KRW 16.6 billion. Most of the participating customers expressed their more-than-satisfied feedback in the Happy Call survey of 1,521 customers out of the participants.

#### WM Seminars from 2014 to 2015

(Unit: Number of times)

Number of times held	Very satisfied	Satisfied	Fair	Unsatisfied
1,521	115 (8%)	1,338 (88%)	68 (4%)	0 (0%)

#### Activities for Customer Satisfaction for WMs in Business Branches

WMs in business branches are required to sincerely fulfill the obligation for the basic management of customers they are supposed to care for, and enhance customer satisfaction through regular contact with them. Such activities are dubbed as 'customer satisfaction activities', under which each WM regularly monitors if such activities are implemented with due care, and the results are reflected in the comprehensive evaluation of business branches.

#### Target Marketing Activities

Besides the routine customer satisfaction activities carried out by WMs in business branches, the Marketing Team at the headquarters conducts intensive management for particular issues for WMs in business branches by making a target customer list twice or three times a year. Such efforts satisfy the customers in a blind spot without getting proper services – small-volume pensioners, customers without designated service managers and customers who are likely to churn. This, in turn, leads to higher business performance.

## Mirae Asset Oblige Club

The Mirae Asset Oblige Club is a VIP wealth management brand of Mirae Asset Securities. It implies that it has an 'obligation (Oblige)' to provide differentiated asset management services for VIPs. Along with global asset management, premium life services and advisory services are provided to be at the forefront of satisfying customers' emotions.

### Oblige Club Membership Program

It is a top-notch VIP service derived from our interest in customers' lifecycle. The program consists of small-scale private classes including the 'Salon Academy', an in-depth humanities and culture & art program for top-notch VIPs and the 'Leaders Community' using golf content. There are other types of diverse life care services including art concierge, gifts for traditional holidays and airport protocol.

### V-Point Service

It is a service to accumulate a certain amount of points depending on customers' financial transaction records, and the cashback points can be used in our membership stores. When payment is made in such stores using other payment means such as cash or cards, 10% of the amount paid is re-accumulated as 'V-Point'. Membership stores including not only the Four Seasons Hotel Seoul and Blue Mountain CC but also overseas stores including the Fairmont Orchid Hawaii, Fairmont San Francisco and Four Seasons Hotel Sydney.

1.1 Protection of Financial Consumers

> 1.2 **Raising Customer Values**

Special Report: Smart Asset Management Service

2.1 Development of Competitive Products

2.2 Differentiated Competitiveness for Asset Management

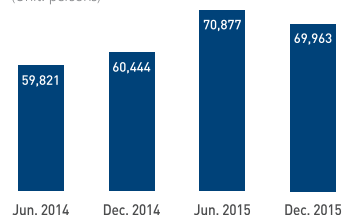
2.3 Advancement into the Global Financial Market

3.1 Development of Global Talents

4.1 Social Contribution

1<sup>st</sup> Culture Trip11<sup>th</sup> Pung Ryu Ye Chan**Number of VIP customers**

(Unit: persons)



Oblige Club Magazine

**Family Care Program**

Diverse educational programs on finance are offered for children of customers. Family care programs are regularly organized including 'Finance★Dream Concert' consisting of differentiated cultural content for adolescents' dreams and visions to educate them on basic economic concepts, and the 'Financial Campus' to help university students better understand the financial industry and counsel them on landing on a job.

**Honored Branch Managers**

It is a program to appoint honorary branch managers in each branch from local opinion leaders among customers. The program started from 2010 to more closely listen to the VOC where honorary branch managers provide advice on overall matters in their branch, and local community-based business is strengthened through promotions and MGM (Members Get Members) marketing. Customers designated as honorary branch managers are provided with opportunities to attend various events along with diverse benefits.

**Culture and Art Seminars Inviting Regional VIPs**

It is a program for regional customers on the outskirts who tend to be relatively underprivileged compared to those in the metropolitan area. The program offers various genres of cultural and art experiences by inviting VIP customers in major regional areas. It includes 'Pung Ryu Ye Chan' consisting of multi-genre lectures or performances in small or big performance venues, and 'Culture Trip' inviting outside experts on such topics as humanities and photography.

**Advisory Service**

The Advisory Service is a customized asset management service in line with customers' lifecycle by providing one-stop services covering taxation, real estate and legal affairs. We establish continued partnerships for synergies in managing assets by wellness managers in each branch and consulting in depth provided by an expert group at the headquarters. The advisory expert group consists of five tax attorneys, five real estate consultants and one lawyer. They have provided 4,700 advisory services for the past three years (as of December 31, 2015).

	<b>Consulting on Tax</b>	We offer diverse taxation consulting not only in life-long tax saving but also in personal tax savings including financial income, real estate, inheritance, donation, and business succession.
	<b>Consulting on Real Estate</b>	We provide integrated real estate consulting such as inspection and value assessment on real estate, purchase and rental, asset portfolio, and others.
	<b>Consulting on Legal Affairs</b>	We offer solutions on such diverse legal matters ranging from household matters including inheritance and last will to consulting on corporate laws including financial laws, corporate management and financing.

**Concierge for Inheritance**

It is a lifecycle consulting service to suggest optimal asset inheritance solutions by analyzing customers' overall inheritance-related circumstances and care for the wealth of their offspring. The service plays concierge roles of a family's exclusive legal / tax consultant so that they could review legal and taxation issues that might occur afterwards, covering the preparatory process and the entire process after inheritance.

**Advisory Day**

In order to reach out to customers in all branches, the advisory expert group of the headquarters visits a target area, and stays there for a certain period of time on the 'Advisory Day'. On-site consulting services are provided for incoming customers on taxation, real estate and legal affairs. The service is rotated for each branch.

**Oblige Club Magazine**

It is a customer-participating magazine in pursuit of interactive communication by covering the front page and certain pages with customers' artworks. Customers voluntarily participate in the 'Artwork Contest' and 'SMS Event'. The magazine covers diverse sections including premium life, global wealth management and advisory service.



# Special Report

## Special Report

### Smart Asset Management Service

#### Sophisticating the Customer Value-Driven Quality

Mirae Asset Securities establishes the infrastructure for a mobile / online transaction environment for customers to use all services most conveniently and intuitively, targeting to become No. 1 in online transaction market share and in online asset management.

#### Key Objectives

- Strengthening the customer experience-oriented service quality
- Creating new business opportunities amid changes in the domestic and international financial environment
- Strengthening the smart process for enhancing values for customers

#### Creating Synergies through an Organizational Reshuffle

- Providing online asset management solutions including the 'Global Asset Allocation Solution' and 'Personalization Content' for stable asset management for customers after the launch of the Smart Asset Management Team
- Launching the 'Customer Experience Innovation Team' to ease the pain points of customer experiences and enhance the service satisfaction level

#### Key Performance Indicators for Smart Asset Management



Enhancing the market share for retail consignment contract volume



Reducing IT downtime in customer services



Increasing the non face-to-face portion for the trading of financial products

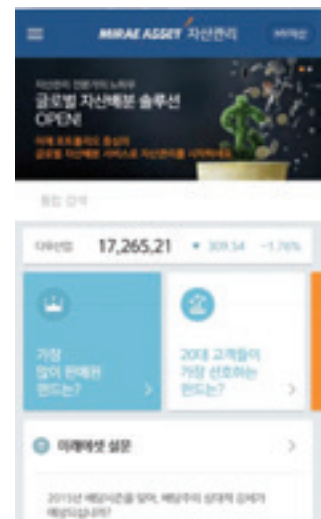


Cutting the number of failure cases in FSS

#### Introduction and Management Performance of the Global Asset Allocation Solution

We opened the 'Global Asset Allocation Solution' service in May 2015 to cater to the needs of customers amid the IT development and increases in the number of customers with a self-driven investment propensity. The solution is Korea's first-of-its-kind 'robo-advisor'-type online asset management service, which can be used by any customer of Mirae Asset Securities free of charge. The service consists of a natural flow: identifying the tendency through a questionnaire → suggesting a model portfolio → analyzing the portfolio → trading the portfolio. The service helps customers distribute assets themselves via the website. In other words, the entire process - identifying customers' investment propensity through a visit to a branch or counseling with experts, and forming or reforming their portfolio - is compiled and provided online.

In order to respond to the rapid increase in the number of mobile users, we provide the Global Asset Allocation Solution in the mobile service (Mirae Asset Securities' 'Asset Management App') which opened in January 2016. The Global Asset Allocation Solution enables asset management services which are made easy anytime and anywhere in a busy life thanks to convenient functions including the fingerprint recognition mobile log-in. Mirae Asset Securities plans to spearhead the popularization of online asset management by continuously developing online asset management solutions using artificial intelligence (AI) and big data while sophisticating the Global Asset Allocation Solution.

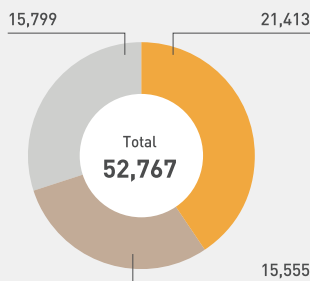


#### Customers using the performance/forecast analysis

(Unit: persons)  
(applications as of May 2, 2016)

Status of designating the investment style

- High-yield type
- Mid-yield type
- Stability-driven type



# Special Report

## Asset Management App



## Pension Management App



## New M-Stock



## Introduction of Smart Asset Management Services

### Asset Management App

We opened the Asset Management App in January 2016 to preemptively respond to the exponential growth of the mobile financial market driven by ICT advancement and customers' higher demands. The app was developed for anyone to easily use securities and financial services. To this end, we improved pain points in usability discovered in the existing mobile service, and reinforced customer experiences to be in tandem with the latest IT service trends.

Using the app, customers can open a new account without a visit to a branch, and utilize various financial transactions without constraint including trading of financial products. Moreover, the fingerprint information registered in devices can be used with a single touch to track the asset status and receive an analytical report. Customers with needs for more professional asset management services can use the optimized asset allocation service suited to the current market situations and customer propensity via the 'Global Asset Management Distribution Solution'.

The app will lead the qualitative growth in the non-face-to-face asset management market based on continued user analyses and customer-oriented thinking. Moreover, we plan to sophisticate it by focusing on securing and distributing content to strengthen customized services.

### Pension Management App

The Pension Management App is a mobile application ambitiously launched to take care of 'a comfortable elderly life for customers' by Mirae Asset Securities – the No. 1 player in pension assets. As the average life span increases socio-structurally, preparation for an elderly life gets ever more important. Yet, customers have not had any instruments to intensively manage their personal pensions and retirement pensions – their precious assets for their post-retirement life.

The Pension Management App comprehensively analyzes and provides information on various pension assets including personal/retirement pensions for customers to more systematically manage their retirement income. Moreover, we offer product portfolios for them to evenly invest in promising assets at home and abroad for more effective pension asset management.

Since ways to procure post-retirement and retirement income might differ by age and occupation, we seek to provide pension management know-how suited to customers – office workers, the self-employed, financial capitalists and housewives. To this end, we manage informative content including the 'Pension Story' and provide the 'Pension Calculator' to enable convenience planning for investment / withdrawals, etc.

### New M-Stock

The New M-Stock is the first next-generation trading application in Korea for stock trading services on smart phone. Users can experience smart phone trading in an upgraded mobile trading environment.

We offer cloud services where customers' trading environment is recorded and personalized functions which allow them to access the information they need. We also provide an alerting service to customers on stock prices and a call service to execute orders automatically. These services are in high demand of by customers. We offer the all-in-one wealth management services in a mobile environment via the New M-Stock that offers such diverse financial services as futures options trading, fund trading and ELS / DLS subscriptions.





## HTS KAIROS

We operate a new comprehensive HTS KAIROS which embraces the existing HTS (Home Trading System) features, and is equipped with various upgraded features and content. The concepts of this HTS KAIROS are light and fast, customer-oriented, compatibility for both beginners and experts, and strong basis. We also offer the Web Trading System that enables online trading, and the Mini Plus where trading made available by simply installing the Widget. As such, we strengthen our competitiveness in trading systems through continued communication with customers.

## Improvement of the Web Accessibility for the Socially Underprivileged

We implemented the 'Open Web (open.smartmiraeasset.com)' with web accessibility for the information have-nots including the disabled and the elderly who cannot easily access the Internet. All the content provided by the Open Web of Mirae Asset Securities can be recognized in any way through visualization or auralization. Instructions are all recognizable regardless of shape, size or location, and the web accessibility guideline is thoroughly followed so that users can easily recognize the content through a brightness contrast between content and its background. All functions can be used using the keyboard alone, and the focus driven by the keyboard can be visibly distinguishable through a logical movement. For the underprivileged including the disabled and the elderly who have difficulties in accessing information, we seek to take the lead in improving the quality of their life by easing their sense of social alienation and creating a discrimination-free society. To this end, we expand their opportunities to access information and be engaged in the society.

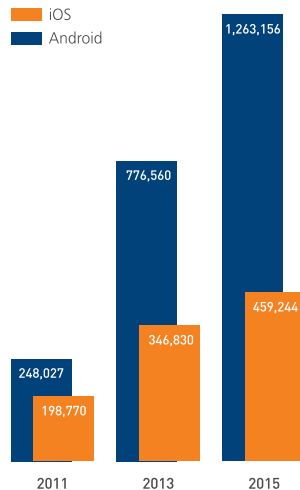
## Discount Service in Stock Trading Fees for the Blind

(Unit: %)

Type	Branch / Smart Financial Center	ARS	HTS / Web trading / Active trading
Ordinary fees	0.448	0.15	0.029
Discounted fees for the blind	0.029	0.01	0.01

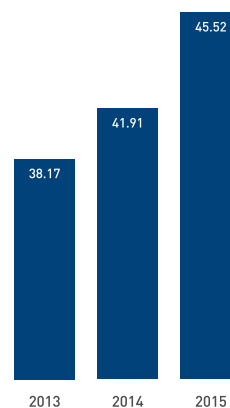
## Total number of service downloads for different media

(accumulated)  
(Unit: No. of times)  
■ iOS  
■ Android



## Proportion of smart phone contracts among the total of customer's media

(Unit: %)





## 2

We have independence and competitive advantages as a professional investment group



### Why & Impact

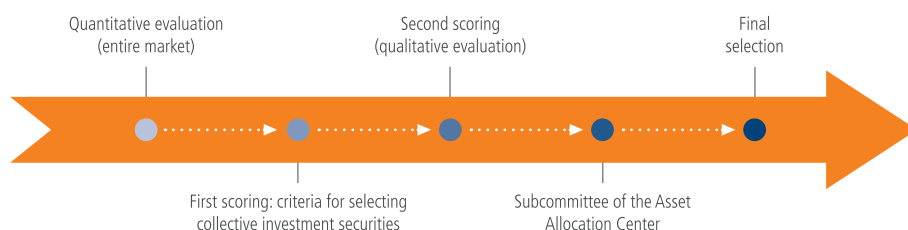
Amid the global investment environment with a low interest rate and low growth, capabilities to select competent products are considered more important than ever before. The process of selecting recommendable investment products for customers is a key element in enhancing the customer value. Mirae Asset Securities is committed to providing more stable and excellent products to customers through a systematic and rational process of selecting new products and recommendable ones.

### Policy & Commitment

The stability and investment performance of products is a basic prerequisite to strengthen the RM (Relationship Management) of customers. We do the best for efficient product supply to pursue stable profits for customers based on our vision and core values.

### New Product Selection Process

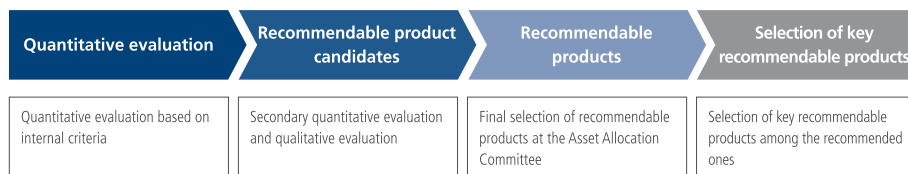
We have a new product selection process for an excellent product line-up suited to the global investment environment and market trends. First, we conduct a quantitative evaluation on funds in the entire market. Second, we implement the first scoring by applying our internal selection criteria on upper-tier funds in the quantitative evaluation. Third, we conduct the second scoring based on the internal qualitative evaluation criteria. Lastly, we decide on the final line-up at the Product Subcommittee in the Asset Allocation Center.



### Sophisticating the Recommendable Product Selection Process

We have sophisticated a process to select recommendable products to be able to recommend products which can generate steady and continuous performance to customers. First, we conduct the quantitative evaluation based on internal criteria. Second, we select candidates for recommendable products by conducting the secondary quantitative evaluation and qualitative evaluation for excellent products selected from the quantitative evaluation. Third, our Asset Allocation Committee selects recommendable products through the selection of excellent financial products in given sectors. Lastly, most suitable core products to be recommended are selected among recommended products, given the market outlook.

- 1.1 Protection of Financial Consumers
- 1.2 Raising Customer Values
- Special Report: Smart Asset Management Service
- > 2.1 Development of Competitive Products
- 2.2 Differentiated Competitiveness for Asset Management
- 2.3 Advancement into the Global Financial Market
- 3.1 Development of Global Talents
- 4.1 Social Contribution



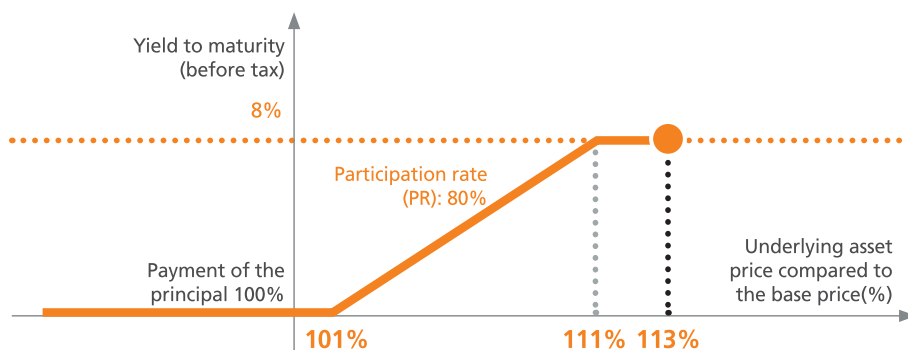
## Activity & Performance

### Development of Products Which Can Be Rebalanced within Funds

We have developed and supplied products which guarantee stable profits regardless of market situations. We also developed the 'Mirae Asset Global Solution Fund', an exclusive tax exempt fund for overseas stock investment which can be rebalanced within funds by selecting and diversifying the investment of highly performing funds. We plan to make steady efforts to supply products suited to the rapidly changing market situations by exploring and commercializing promising alternative investment assets including investable real estate and structured products.

### DLB - Principal-protected Hybrid Fund

We launched DLB, a principal-protected hybrid fund. It is expected to generate the maximum yield of 8% through investment in hybrid funds. It is a two year-maturity product where the underlying asset is the Mirae Asset High Dividend Focus 30 Fund. A yield of 80% is paid upon the fund's growth rate and if the yield exceeds +13%, early redemption of 8% is paid. If the fund records a minus yield, its principal is paid. The underlying asset for this product is a hybrid fund, which is a DLB product of private equity with capital guarantee, attaining both stability and profitability.



### Social Responsible Investment (SRI) Funds and Investment

We are engaged in product planning, and direct and indirect investment in the green industry in order to contribute to green growth and the creation of new business opportunities. We develop and launch products which can be invested in social enterprises to pursue sustainable social development in consideration of the next generation in the society and customers. We practice social responsibilities through SRI funds including the Mirae Asset Green Index Fund and Allianz Corporate Value Enhancement Fund. We support companies holding green technologies with paid-in capital increase and IPO (Initial Public Offering) and make direct investment in them. By doing so, we strive to create new values by facilitating the green industry, while raising environmental risks and responsiveness to climate change in the society.

### Monitoring & Future Plan

By continuously sophisticating the process to select new products and recommendable ones, we contribute to the stable asset management of customers by providing more superb and stable products, and realize the core value, 'Mirae Asset exists for customers'.

## CORE ISSUE

# 2

We have independence and competitive advantages as a professional investment group

## 2.2 Differentiated Competitiveness for Asset Management



### Why & Impact

Asset distribution is the basis and core element in investment. Diversified investment in various regions and assets is a desirable investment form instead of making concentrated investment in specific assets in the market situation dominated by uncertainties. There are key elements in asset allocation: not only selecting promising assets and diversifying the investment of assets but also reducing risks that might occur in a single asset and raising the yield compared to risks in the entire portfolio. Moreover, it is a critical process in asset allocation to create optimal portfolios by financial companies and investors in consideration of the age, asset scale and investment propensity of investors. A wise investor would find a way of gaining income in demand over the long term instead of recklessly avoiding risks. We would like to offer help for customers' asset allocation and stable asset management, believing that we are forging ties with customers for their wise choice in making investments.

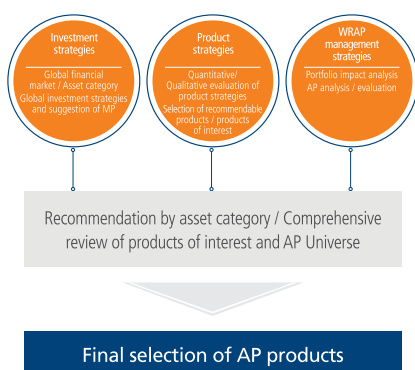
### Policy & Commitment

#### Launch of the First 'Investment Solution Unit' in the Industry

Mirae Asset Securities has consistently initiated a core business of stably growing customer assets through the comprehensive asset management service. The Asset Allocation Center of Mirae Asset Securities was launched in 2013 as the first of its kind in the industry as a fruit of our 'know-how in asset management'. We suggest diverse portfolios suited to customers' asset status and investment propensity in line with global asset allocation in order to contribute to customers' asset growth. In 2015, we launched the 'Investment Solution Unit' as the first of its kind in the industry, covering asset allocation, pension business and research. As such, we acted out customer-focused management to research optimized investment solutions from customers' perspective, and ultimately contribute to a comfortable life for customers.

#### Suggestion of a Practical Asset Allocation Solution through the Asset Allocation Center

The Asset Allocation Center of Mirae Asset Securities consists of four teams: the Global Asset Allocation Team, Investment Product Development Team, WRAP Management Team and Trust Management Team (\*as of April-end 2016). We suggest the Model Portfolio (MP) catering to diverse customer needs through co-work and the Actual Portfolio (AP) consisting of financial investment products. Unlike our competitors which do not go beyond the generation of MP, the center launches WRAP account products that are managed based on MP and AP, which is its distinctive competitiveness in terms of effectiveness in suggesting asset allocation solutions. There are three types of global asset allocation-type WRAP account products managed by the headquarters, which are provided by the Asset Allocation Center currently (as of April-end, 2016). First, we provide two types of WRAP accounts managed based on MP and AP for global asset allocation depending on investment vehicles: Fund Wrap and ETF Wrap. Second, it is the form of a fund WRAP as a WRAP account managed based on the MP and AP of the global asset allocation whose stability has been reinforced, given the nature of pension assets. Third, it is a discretionary ISA product managed based on the MP of the Individual Savings Account (ISA) derived from the pension MP.



- 1.1 Protection of Financial Consumers
- 1.2 Raising Customer Values
- Special Report: Smart Asset Management Service
- 2.1 Development of Competitive Products
- 2.2 Differentiated Competitiveness for Asset Management
- 2.3 Advancement into the Global Financial Market
- 3.1 Development of Global Talents
- 4.1 Social Contribution

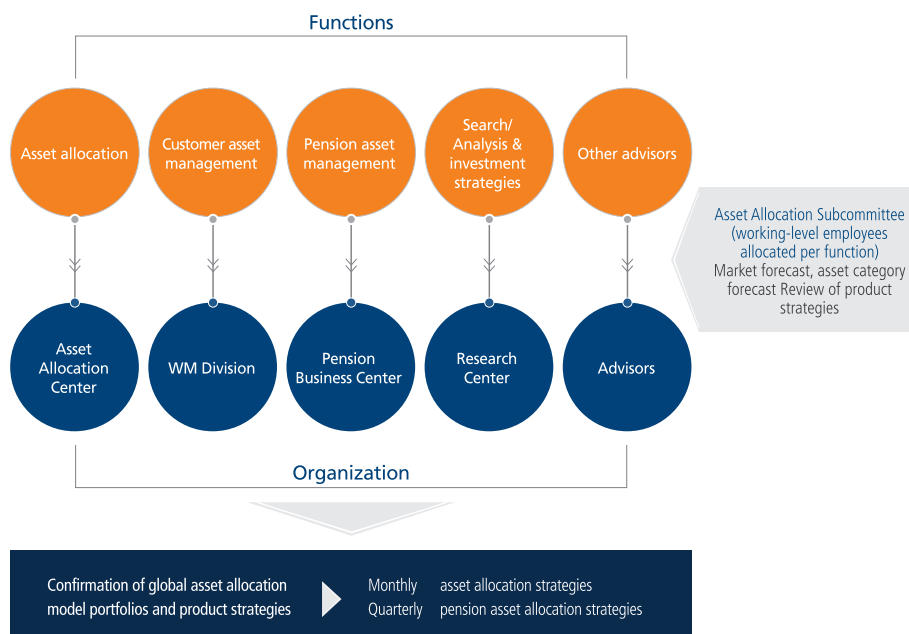
### Asset Allocation Committee

It is the 'Asset Allocation Committee', a council which supervises asset allocation solutions, being managed by the Asset Allocation Center. The committee is the final decision-making body to establish global asset allocation strategies and financial investment product portfolio strategies.

The committee consists of the Asset Allocation Center in charge of asset allocation, the WM Division overseeing asset management in branches including branches, the Pension Business Center in charge of pension asset management, the Research Center providing investment strategies and analysis data to legal entities / institutional investors, and five heads of related departments. The Asset Allocation Committee is responsible for strategic asset allocation, not only establishing strategies for asset allocation and financial product portfolios, but also devising portfolio management policies to respond to the financial market trends, policies and regulatory changes, and setting conditions for permit / constraints in making investment. The Asset Allocation Committee, in principle, organizes quarterly meetings in March, June, September and December. The committee holds the Asset Allocation Subcommittee meetings on a monthly basis to help its decision making. The Asset Allocation Subcommittee is mostly in charge of tactical asset allocation by reviewing and forecasting views on global stock market trends and asset categories and suggesting financial product investment strategies. It is mainly operated by the working-level staff in related teams on asset allocation, investment strategies, financial products and marketing.

The Asset Allocation Committee and its subcommittee are expected to hold meetings routinely when pending agenda occur in the global stock market and volatilities are expanded regardless of time for organization. They are committed to imbuing vitality to asset allocation solutions of Mirae Asset Securities through more flexible responses. The final goal is to enhance efficiency in asset management for employees in the field and raise yield for customers. We will enhance our competitiveness in asset allocation solutions by strengthening collaboration with specialized units in alternative investment including absolute return-guaranteed products and real estate investment products.

### Composition of the Asset Allocation Committee of Mirae Asset Securities





- 1.1 Protection of Financial Consumers
- 1.2 Raising Customer Values
- Special Report: Smart Asset Management Service
- 2.1 Development of Competitive Products
- 2.2 Differentiated Competitiveness for Asset Management
- 2.3 Advancement into the Global Financial Market
- 3.1 Development of Global Talents
- 4.1 Social Contribution

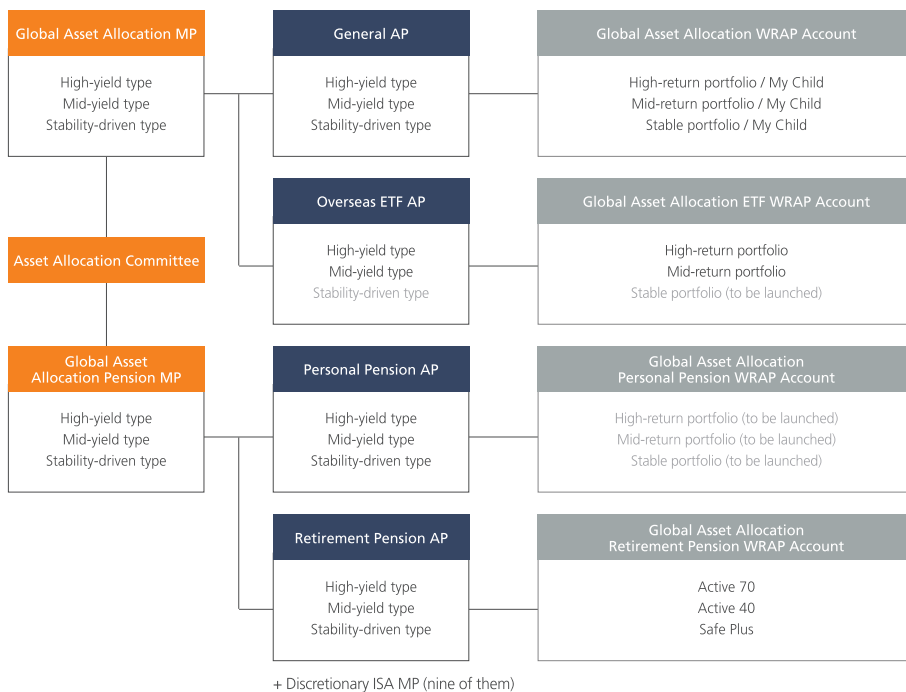


Mirae Asset Securities' '1<sup>st</sup> Global Asset Allocation Academy' organized in the Global Convention Plaza of Seoul National University in March 2015

## Strengthening Employees' Asset Allocation Competency

The Asset Allocation Center contributes to strengthening employees' asset allocation and management competencies through various in-house training and seminars. In March 2015, we organized the '1<sup>st</sup> Global Asset Allocation Academy', targeting all WMs (wealth managers) in all branches. Training on the 'back to the basic' concept was carried out with a focus on a mechanism driving various financial products to be developed and managed as well as how to analyze asset categories and financial products to lay the foundation for asset allocation. In the first half of 2016, we provided training and practice sessions for eight times on how to form portfolios through the 'WM Asset Allocation Competency Buildup Course' organized by the HR Innovation Division. Moreover, we bring up efficiency in employees' business activities by organizing an occasion to share asset allocation strategies on a monthly basis, targeting RMs (relationship managers) for retirement pension and employees at the Smart Financial Center.

Mirae Asset Securities' Global Asset Allocation-type WRAP Account Product Categories



<Asset Allocation for Wealth Managers>, By the  
Asset Allocation Center of Mirae Asset Securities,  
Seoul Economics & Management, September, 2015

## Building up Leadership as Asset Managers

Mirae Asset has strived to be continuously conducive to investors' comprehensive asset management since its foundation. We have published various books including the Investment Training Handbook, the Global Economy Handbook and the Retirement Pension Handbook. We have also translated books as textbooks in the advanced financial market and shared them with domestic investors. In the same vein, we published the 'Asset Allocation for Wealth Managers' as a new feature on asset allocation authored by specialists in the Asset Allocation Center in September 2015. While many domestic books on wealth management were mostly on the analysis of the personal asset structure and asset remodeling, the 'Asset Allocation for Wealth Managers' introduced by the center is distinctive in that it is a theoretical guidebook suggesting specific methodologies on how to diversify assets and manage them in portfolios from the global investment perspective. It can be a guiding compass for general investors in making investment decisions as they dream of a comfortable post-retirement life, while serving as a superb reference book for practitioners in financial companies who are managing customer assets. As such, it is expected to contribute to strengthening our leadership as an asset management expert in the domestic financial market.

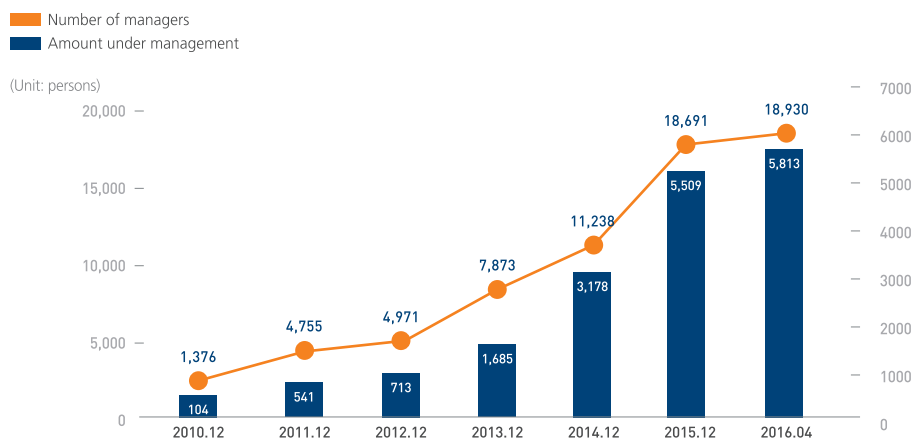
- 1.1 Protection of Financial Consumers
- 1.2 Raising Customer Values
- Special Report: Smart Asset Management Service
- 2.1 Development of Competitive Products
- > **2.2 Differentiated Competitiveness for Asset Management**
- 2.3 Advancement into the Global Financial Market
- 3.1 Development of Global Talents
- 4.1 Social Contribution

### Global Asset Allocation WRAP Account

Our representative WRAP account products are the 'Global Asset Allocation WRAP Account' and the 'Global Asset Allocation Retirement Pension WRAP Account'. The total amount of the balance of all types of the Global Asset Allocation Retirement Pension WRAP Account is KRW 581.3 billion as of April-end, 2016. There has been a rapid growth for the past three years (2013~2015) due to increases in the absolute volume of both its subscribers and the amount of funds under management. The yearly variation rate year to year for the funds under management was +136% in 2013, +89% in 2014 and +73% in 2015. We have the Active 40, a representative mid-yield product, in a breakdown by type. The Active 40-type Retirement Pension WRAP Account recorded the accumulated yield of +57% (annual average of 6.43%) as of April-end, 2016 since it was launched in early February 2009. Meanwhile, the Global Asset Allocation WRAP Account (based on fund WRAPs) is recording the balance of KRW 57.5 billion as of April-end 2016 since it started to be managed in February-end 2014.

### Number of managers a year and the amount under management for the Global Asset Allocation WRAP Account of Mirae Asset Securities

(Unit: KRW 100 million)



(\*Note: based on annual data. For 2016, data of January up to April were used)

## Monitoring & Future Plan

### Suggestion of Specific Investment Strategies by Strengthening In-house Research

Currently, asset allocation MPs and Aps are configured by region. Theme-specific asset allocation will be added through sector and style-based analyses in order to provide more specified investment strategies to employees and customers.

### Expansion of Global Asset Allocation Solutions

As low interest rates and low growth are prolonged, customer needs are shifting to the pursuit of absolute profits beyond seeing for profits of market interest rate+ $\alpha$ . The Asset Allocation Center plans to launch WRAP account products in a passive style using investment vehicles including the ETF (Exchange Traded Fund) and the ETN (Exchange Traded Note). Moreover, we will push for the launching of WRAP account products which implement the Smart Beta strategies<sup>1)</sup> and hedge fund investment strategies.

### Fostering Employees' Capabilities to Allocate Assets through the Internal and External Synergy Buildup

One of the strengths of Mirae Asset Securities compared to competitors is its global network. The Asset Allocation Center will focus on intensifying employees' global asset allocation capabilities driven by collaboration with overseas subsidiaries and offices of Mirae Asset Group.

<sup>1)</sup> Smart Beta strategies: These refer to investment strategies of generating an additional yield on top of the benchmark yield where the portion of investment is flexibly adjusted in consideration of the sector-specific yield instead of following the conventional style where the yield moved in tandem with the market, making investment in proportion with the market capitalization.

## CORE ISSUE

# 2

We have independence and competitive advantages as a professional investment group

## 2.3 Advancement into the Global Financial Market



### Why & Impact

#### Structural Changes in the Korean Economy

The Korean economy has witnessed structural changes where a low interest rate and a low growth tend to be fixated. These are in parallel with shrinkage in the economically active population amid low birth rates and aging trends which have been prolonged for long. As we have led the innovation in the securities in the industry since our foundation, we have leveraged such structural changes in the national economy and a low growth in the domestic securities industry as triggers to advance into the global financial market.

### Policy & Commitment

#### Establishment of Overseas Business

Starting with the establishment of Mirae Asset Securities (HK) in 2006, we have proactively advanced into other countries including Brazil, Vietnam and the U.S. We have focused on global market research by exploring diverse investment opportunities globally based on our global network, developing them into financial products, and setting up a system to help direct investment for investors. Accordingly, we provide diverse overseas investment opportunities to domestic investors – foreign funds (equity-type, bond-type and real estate), foreign equity and direct investment in foreign bonds. Each overseas subsidiary generates profits through equity and bond brokerage, asset management and investment in shareholders' equity, and lays the foundation for local business. They will revitalize the Korean economy which has fallen into a structural trap by stabilizing our global business and expanding it gradually. Global advancement of Mirae Asset Securities is in tandem with Mirae Asset Group's global strategy. Mirae Asset Securities will maximize the effects of global advancement strategies by fully leveraging information and the network with affiliates.

#### Status of Overseas Subsidiaries

As for overseas subsidiaries of Mirae Asset Securities as of December-end, 2015, we have four overseas subsidiaries and one overseas office with 78 employees in total.

### Activity & Performance

#### Global Expansion of the WM Business

Mirae Asset Securities established a securities company in Sao Paulo, Brazil, for the first time as an Asian company in August 2010. Mirae Asset Securities Brazil has made investment with Korean investors by exploring excellent local assets including Brazilian government bonds and office property, while maintaining the investment brokerage business and IB operations. We have reaffirmed our image as a global investment group with employees proactively taking part in local media as a part of an effort for localization.

#### Status of Overseas Subsidiaries

Subsidiary name	Year of establishment	Scope of business	Capital stock (KRW 100 million)	Employees (number of employees)
Mirae Asset Wealth Management (USA)	Sep. 2008	Wealth management, Brokerage, PI	221	6
Mirae Asset Wealth Management Securities (Vietnam)	Dec. 2007	Wealth management, Brokerage, PI, IB	174	30
Mirae Asset Wealth Management (Brazil)	Sep. 2010	Wealth management, Brokerage, PI, IB	1,086	30
Mirae Asset Wealth Management (HK)	Jan. 2007	Wealth management, Brokerage, PI	2,516	10
Mirae Asset (Beijing)	Jul. 2007	Research, Consulting		2

\* Note: based on overseas subsidiaries currently in operation



- 1.1 Protection of Financial Consumers
- 1.2 Raising Customer Values
- Special Report: Smart Asset Management Service
- 2.1 Development of Competitive Products
- 2.2 Differentiated Competitiveness for Asset Management
- > 2.3 Advancement into the Global Financial Market
- 3.1 Development of Global Talents
- 4.1 Social Contribution

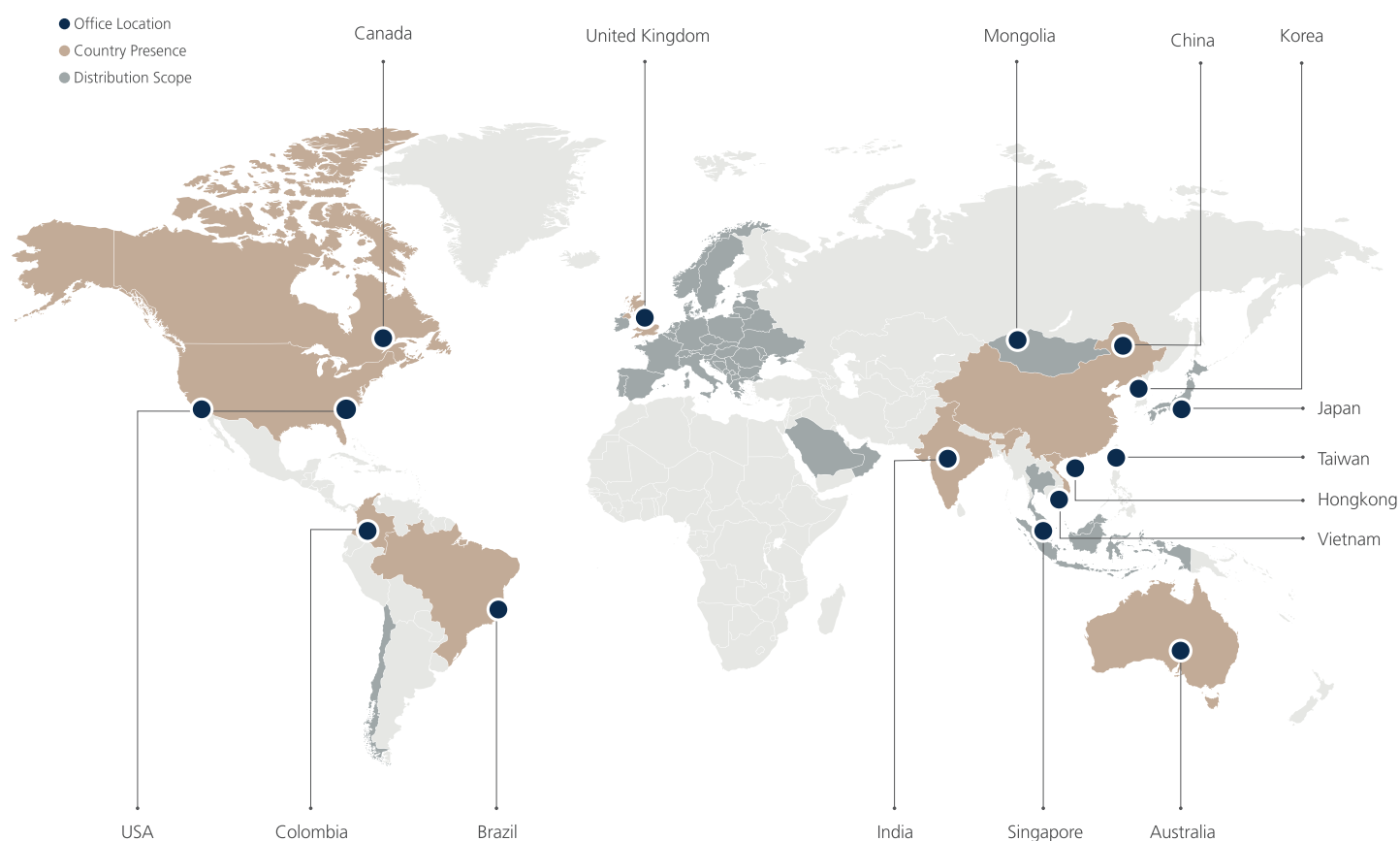
There was a feature story in 'INFO MONEY', a Brazilian website on economic information, on the 'criteria for selecting a securities company' early 2016. Mirae Asset Securities was ranked second and third in the categories of profitability and stability (shareholders' equity), respectively, among all the securities companies. As such, we have cemented our solid presence in Brazil. Based on the improved image, we are successfully expanding the local online business and WM business.

Mirae Assets Hong Kong, USA and Vietnam which have grown mostly driven by the securities brokerage business started their WM business anew, expanding asset management operations, targeting high net worth individuals including ethnic Koreans living there. To this end, the main office of Mirae Assets USA was relocated from New York to LA, currently managing customer assets worth about USD 30 million. Mirae Asset Vietnam launched WRAP account products for the first time among Vietnamese securities companies and performs other business operations dynamically.

#### Securing Specialized Competencies in the Emerging Market through Overseas Subsidiarie

Despite the recent years of economic slowdown, we have exerted our competency as an emerging market expert, sharpening our global competitiveness continuously. Mirae Asset Global Investments aims for stable dividend income and sales margin from foreign equity funds and foreign real estate investment trust through communication for foreign investment products and information utilization, and a closely linked structure among overseas subsidiaries. Driven by successful investment experiences through real estate funds in Shanghai, Brazil, U.S. and Australia, etc., we acquired the 'Fairmont Orchid', a five-star resort hotel located in Hawaii, the Big Island early 2015 at approximately KRW 240 billion (USD 220 million). Moreover, we acquired the 'Fairmont Hotel', a landmark building in San Francisco which opened in 1907. Mirae Asset Securities provides stable asset allocation solutions to customers by leveraging the real estate fund acquired from Mirae Asset Global Investments.

Global network after merging with Mirae Asset Daewoo



- 1.1 Protection of Financial Consumers
- 1.2 Raising Customer Values
- Special Report: Smart Asset Management Service
- 2.1 Development of Competitive Products
- 2.2 Differentiated Competitiveness for Asset Management
- 2.3 Advancement into the Global Financial Market
- 3.1 Development of Global Talents
- 4.1 Social Contribution

### Localization in the Overseas Market and Transfer of Know-how of the Headquarters

Our Brazilian subsidiary highly contributed to the outstanding performance in our overseas business in 2015. As a result of applying the IT system of the headquarters in Korea to it, the HTS (Home Trading System) and others were successful locally in Brazil.

In particular, we gained high performance in managing the shareholders' equity by proactively investing in dollars' assets after the end of the U.S.' quantitative easing. In the U.S., the WM business was relocated to LA as the main office in 2015, securing the shareholders' equity of up to USD 100 billion and customer assets of about USD 300 billion, heralding a successful start.

## Monitoring & Future Plan

### Global Business Expansion through Intensive Localization Strategies

Mirae Asset Securities plans to expand the WM business by strengthening the existing securities brokerage business in the global market in 2016. We will expand the recruitment of local specialists, share asset allocation strategies among the headquarters, affiliates and overseas subsidiaries, and expand exchanges and networking. Driven by the momentum, we plan to provide exclusive products to domestic and international investors and secure better investment opportunities by intensifying our competencies.

### Global Risk Management and Monitoring of Investment Trends

In order to respond to the risk management required due to the expansion of the global business, each overseas subsidiary has formed and operates an exclusive risk management unit. Each of their risk management committees consist of key executives in the headquarters and overseas subsidiaries. The headquarters and an overseas subsidiary jointly make decisions on major investment agenda after closely reviewing the investment scale and target. Moreover, meetings are organized to monitor the global market situation every week and month. As such, we continue to conduct monitoring on global investment trends, thus striving to explore new products based on such efforts. Furthermore, we intensify our monitoring activities to explore new products by compiling feedback on the investment outlook by leveraging the global investment network.

### Organized Communication among the Headquarters and the Global Network

Mirae Asset Securities focuses on creating synergies with affiliates of the Group which have advanced into the global market by leveraging cooperation among global networks. Each overseas subsidiary carries out dynamic communication through video conferencing every quarter organized by the headquarters, which also fully supports key decision-making and problem handling abroad. Management strategic meetings held on a quarterly basis carry out in-depth discussions on the current status of doing business in each overseas subsidiary and other key matters. Evaluation of the management performance of a quarter takes place.

### Jump-up as a Global Securities Company after the Second Startup

2016 is a year of integration and unity between Mirae Asset Securities and Mirae Asset Daewoo. After the second startup, the total shareholders' equity in overseas subsidiaries is expected to surpass KRW 1 trillion so that we could jump up higher as a renowned global securities company with 11 overseas subsidiaries and two overseas offices. The global network of Mirae Asset will be further expanded based on localization strategies to offer diverse investment opportunities to domestic and international investors. Moreover, it will create an environment to generate more profits from abroad.

We respect individuals and trust the value of team play

## 3.1 Development of Global Talents



### Development of Professional Global Asset Managers

#### Why & Impact

##### Paradigm Changes and Response to Indirect Investment

Mirae Asset Securities made its debut in the securities industry by introducing asset management-driven indirect investment to provide stable profits to customers and establish a sound investment culture. We strive to have an identity as a 'global investment expert' who manages customers' assets instead of 'stock trading broker'. Employees at Mirae Asset Securities have the 'top-notch expertise in the industry' to continuously perform leading roles in the culture of indirect investment.

##### A Comprehensive Asset Management Company Relating to Customers' Lifecycle

Mirae Asset Securities is an investment expert investing in financial products by being entrusted with customers' assets. We systematically foster talents to maintain our knowledge to interpret the market situation in the highest level in the industry. In order for employees in the comprehensive asset management company to identify financial demands in a timely manner according to customers' lifecycle and suggest appropriate portfolios, they are required to have not only financial knowledge but also value as 'a good-hearted steward' representing customers' interests and capabilities of 'deeply relating oneself to life'.

##### Customer-oriented Talent Development Based on Knowledge Assets, Emotional Assets and Value Assets

The goal of talent development is to 'foster specialists in the global asset management market that can contribute to creating values for customers'. To this end, we develop talents being equipped with knowledge assets, emotional assets and value assets in a balanced manner. The three values required of talents ultimately lie in the 'creation of values for customers and a comfortable post-retirement life'. The principle of prioritizing the customer value as an asset management specialist is the starting point of our vision for talents.

#### Wealth Management Professionals Creating Customer Value



##### Expanding Knowledge Assets

Expertise in markets, products, and customers



##### Enhancing Emotional Assets

Positive energy from trust, enthusiasm, challenge, and devotion



##### Internalizing Value Assets

Sharing, expanding, and reproducing corporate culture, core values, and the CEO's management philosophy

#### Knowledge Assets

Referring to the 'specialized financial knowledge on the market, products and customers' required of a global professional asset manager

#### Value Assets

Referring to essential assets to be internalized as a member of Mirae Asset Securities, including 'management philosophies, the corporate culture and core values'

#### Emotional Assets

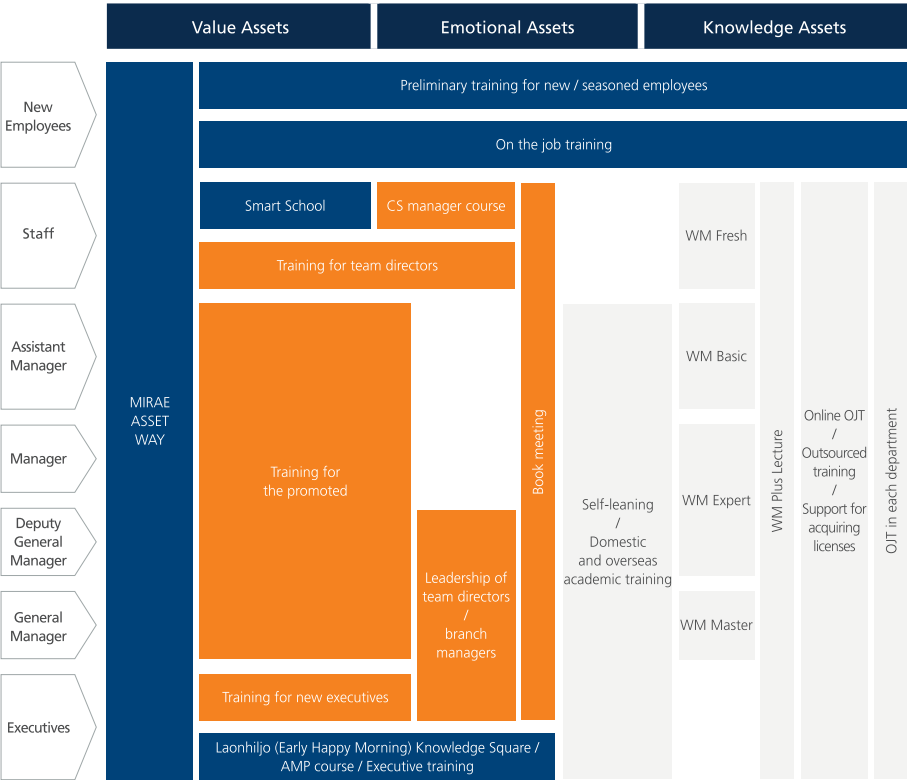
Referring to assets of experience which help creating synergies in knowledge assets and value assets by arousing more creative and broad thinking

CORE ISSUE

- 1.1 Protection of Financial Consumers
- 1.2 Raising Customer Values
- Special Report: Smart Asset Management Service
- 2.1 Development of Competitive Products
- 2.2 Differentiated Competitiveness for Asset Management
- 2.3 Advancement into the Global Financial Market
- > 3.1 Development of Global Talents
- 4.1 Social Contribution

Talent Development System

We strive to create values for customers by developing talents based on knowledge assets, emotional assets and value assets through the rank-specific training program.



Activity & Performance

Development of Female Leaders

Mirae Asset Securities strives to support women to be economically active and enhance their roles in the Company by embracing the social trend of vibrancy in women's engagement in the society. We foster competent female supervisors through a flexible promotion system to foster female leaders. In 2015, personnel promotion took place on two occasions, thus promoting 30 female employees to managers or higher, which is three times higher than the previous years (eight were promoted). We foster about 10 or so female sales force by steadily implementing the job conversion program where a certain portion of employees that are qualified and competent to be positioned to the sales position so that we could foster female workforce. The number of women at Mirae Asset Securities as of 2015-end is 844 (45%) out of 1,861. The number of female executives is five – a high level in the industry. We will extend institutional support for female leaders to exert their capabilities to the fullest by continuously developing competent female talents.

Value Asset Program

Training on the Corporate Culture

We conduct the yearly training program for employees to share and develop a corporate culture which leads changes and innovation in Mirae Asset Securities. Themes and styles of training differ each time to create a corporate culture which is vivid and relevant in the daily life of employees. In 2015, we implemented the 'Mirae Asset Innovation School' to create innovative ideas of employees. It was an opportunity to foster their new thinking and creative mindset.



- 1.1 Protection of Financial Consumers
- 1.2 Raising Customer Values
- Special Report: Smart Asset Management Service
- 2.1 Development of Competitive Products
- 2.2 Differentiated Competitiveness for Asset Management
- 2.3 Advancement into the Global Financial Market
- > 3.1 Development of Global Talents
- 4.1 Social Contribution

### Book Meetings

As a means of reading management, we recommend different books half-yearly on the 'Online Book Café' for the employees to share thoughts and ideas from books. We also opened the 'Book Square', a website to procure books for employees, contributing to establishing a book reading culture in the Company. The process of acquiring the values within books is aimed at forming a customer-centered corporate culture and enhancing the value assets for all employees.

### MIRAE ASSET WAY

MIRAE ASSET WAY is a guideline on why Mirae Asset's 'Client First' exists, how it should be implemented, and what actions should be taken in detail. It covers 'management philosophies', 'management principles', 'code of conduct', and 'stories' which must be accurately perceived and practiced by all the employees at Mirae Asset. We share MIRAE ASSET WAY and corporate strategies with employees through the Company's Vision / Strategy Workshop.

### MIRAE ASSET WAY



MIRAE ASSET WAY



### Emotional Asset Program

Laonhiljo Knowledge Square (special lectures on humanities for executives)

The term 'Laonhiljo' is a pure Korean word meaning 'happy early morning', referring to a morning seminar to develop executives' emotional asset. Executives read a book related to the monthly selected topics and attend seminars for humanities to share trends and ideas on corporate management.

'Again I and We' (an employee retention program)

'Again I and We' is a walking trip program for employees to do self-reflection. They walk on the Olle road in Jeju Island with their colleagues and think about the current status and future directions of themselves and the Company. This makes them truly recharged and refreshed.

### Employees' Emotion Management Program

Accumulated stress of employees engaged in the field of customer service leads to side effects including psychological anxiety in the personal level, and lower job performance and labor loss at the organizational level. In order to prevent and treat them, we offer various motivating programs for employees to reinvigorate their self-esteem for their job, while helping them perceive and control their emotions, and easing their stress. Such efforts contribute to forming and maintaining long-term ties with customers.



Employees' Emotion Management Program

- 1.1 Protection of Financial Consumers
- 1.2 Raising Customer Values
- Special Report: Smart Asset Management Service
- 2.1 Development of Competitive Products
- 2.2 Differentiated Competitiveness for Asset Management
- 2.3 Advancement into the Global Financial Market
- > **3.1 Development of Global Talents**
- 4.1 Social Contribution

## Knowledge Asset Program

### WM Academy

We offer a program to develop global asset management specialists through training courses on knowledge for job functions for each level. The courses imbue specialized financial knowledge for asset management on products, market, taxation and real estate, etc. and help build up literacy in various sectors including culture & art and humanities in order to foster global financial market specialists.

WM Fresh (Staff level): Basic financial knowledge of products, markets, and customers  
 WM Basic (Assistant manager level): Basic financial knowledge of products, markets, and customers through case studies  
 WM Expert (above manager level): a grade of acquiring in-depth knowledge on job functions including market, pension and presentation skills, and upgrading asset management capabilities  
 WM Master: the final grade in the WM Academy to foster knowledge competency in each area needed for asset management to the level of experts

### WM Master

It is a course to foster a selected group of specialized talents in advisory services (taxation, real estate and legal consulting) and culture and artistic literacy.

Unlike the WM Academy, a mandatory training for all employees, the WM Master Course is for the selected ones among recommended candidates with strong performance and competencies. Employees who have completed the primary job-related course (taxation, real estate and legal affairs, etc.) and the secondary culture class course (art, travel, music, humanities and architecture, etc.) are engaged in asset management activities as our representative WMs.

### Self-learning

The Self-learning is an overseas training program whereby individual employees can plan and execute all relevant matters of program including topics and venue. By providing self-initiated learning opportunities and overseas training expenses to employees, they can set a vision for growth in specialized fields and grow into top-tier experts with global competitiveness and mindset.

### WM PLUS

Lecture themes are selected on a monthly basis by reflecting financial and social trends, and special lectures are conducted through the voluntary participation of employees. The goal is to strengthen long-term job competency of employees through the continuous exploration of content and raise efficiency in work. In 2015, lectures were delivered on the following topics: tax law revisions in 2015 and aggregate taxation on financing income, latest real estate issues and analysis of mid-and long-term trends, 'Questioning the Path of Investing in China'.

## 4

Recognizing and Practicing  
Social Responsibilities



### Directions for Social Contribution

#### Striving for Practice of Warm Capitalism

We strive to change future uncertainties into hopes by starting from 'practice of warm capitalism' through genuine social contribution. We perform long-term and continuous social contribution activities to ease potential anxieties within our society and generate social values beyond playing the roles of a representative investment banking group of Korea, which contributes to raising the wealth of customers.

The 'Mirae Asset Park Hyeon Joo Foundation' was founded under the philosophy to advance with our society while 'earning money' and not 'after earning it', believing that investing in talents is the biggest asset determining the national competitiveness. We are engaged in diverse social contribution activities in three areas, that is, 'nurturing future leaders, social welfare and the culture of sharing', through cross-affiliate cooperation under the stewardship of the foundation.

We will strive to make a heart-warming world where we live alongside our neighbors by returning our profits to the society and performing volunteering through continuous corporate activities. We will create an environment to further foster the passion and hopes, the privileges bestowed on youths, and brighten the future.



## CORE ISSUE

- 1.1 Protection of Financial Consumers
- 1.2 Raising Customer Values
- Special Report: Smart Asset Management Service
- 2.1 Development of Competitive Products
- 2.2 Differentiated Competitiveness for Asset Management
- 2.3 Advancement into the Global Financial Market
- 3.1 Development of Global Talents



## 4.1 Social Contribution



Mirae Asset will serve as hopes for youths

## Nurturing Future Leaders

### Mirae Asset's Overseas Exchange Program

Mirae Asset strives to present the whole world as 'lecture rooms' so that promising youths with great potentials could grow as global talents that exert their capabilities on the global stage beyond Korea.

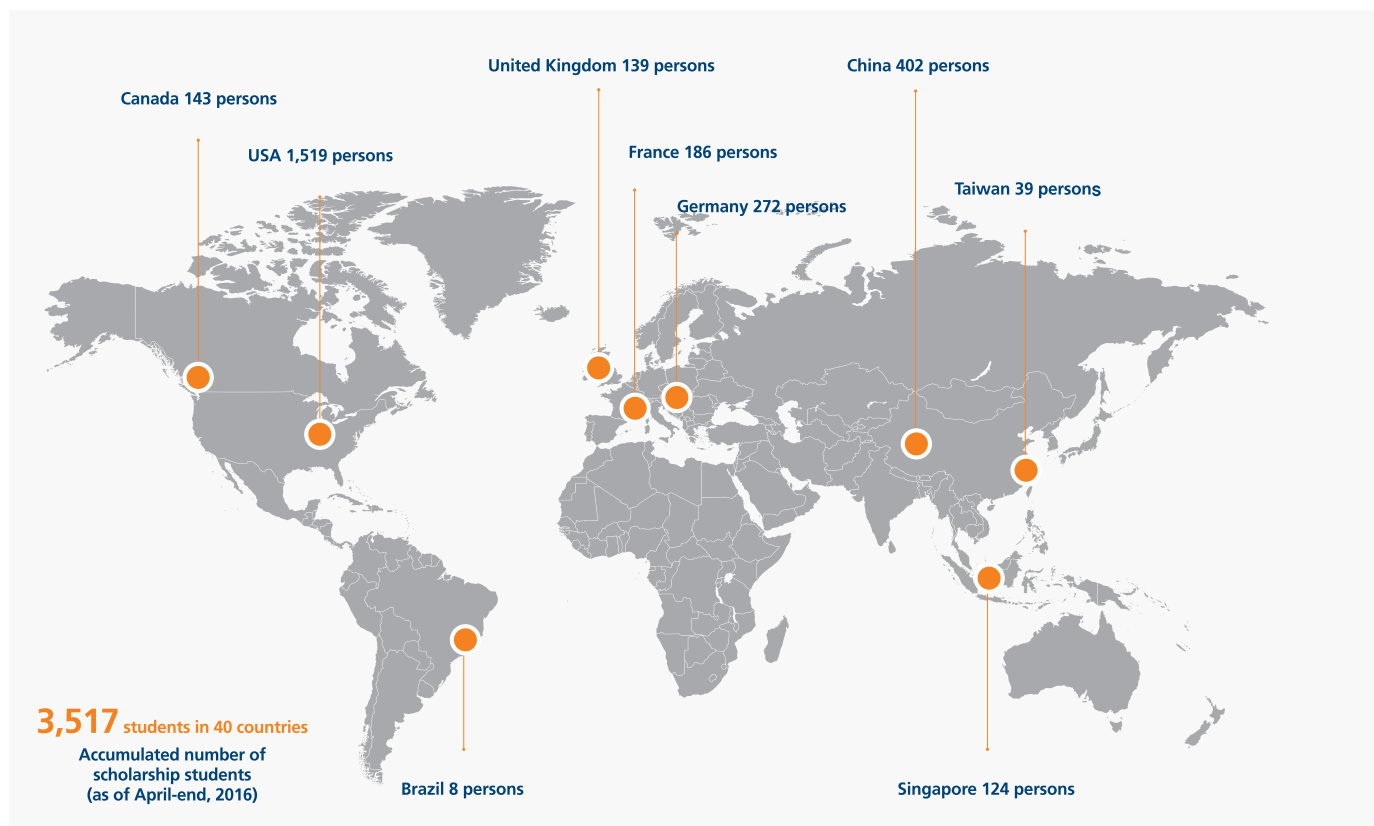
#### 'We Invest in Korea'

The most invaluable investment of Mirae Asset as a global investment banking group is talent development. Talents and systems are the biggest core assets in the knowledge-based society of the 21st century. Due to the greater impact of the global market economy, young talents with global competitiveness are essential to Korea. Mirae Asset will serve as a ladder of hopes connecting youths of today and the world by fulfilling social responsibilities in developing youths to exert their dreams on the global stage.

### Mirae Asset – A Bridge of Hopes Connecting Youths and the World

'Mirae Asset's overseas exchange' program as Mirae Asset's representative social contribution activity started from 2007, and has established itself as Korea's largest overseas exchange student program by dispatching 3,517 scholarship students (as of April-end 2016) to 40 countries. They are provided with opportunities to have diverse hands-on experiences by encountering academics in overseas prestigious universities, thus perceiving their goals and development potentials and setting clear future plans.

Scholarship students are selected as exchange students twice a year in spring and autumn semesters among university students nationwide, and are offered with scholarships of maximum KRW 7 million. We plan to increase the number to 500 recipients a year from 2016 so that more Korean youngsters could be supported to grow as global talents in the world beyond Korea.





- 1.1 Protection of Financial Consumers
- 1.2 Raising Customer Values
- Special Report: Smart Asset Management Service
- 2.1 Development of Competitive Products
- 2.2 Differentiated Competitiveness for Asset Management
- 2.3 Advancement into the Global Financial Market
- 3.1 Development of Global Talents

> **4.1 Social Contribution**



Global Cultural Experience Program

## Social Welfare and Culture of Sharing

Mirae Asset cherishes the future of children that are growing up. We support their diverse experiences for children to foster their dreams and hopes, including overseas trips, training on financial career paths and culture & art. Moreover, we strive to create a healthy world by practicing a voluntary and continued culture driven by employees.

### Global Cultural Experience Program – Taking a Closer Step towards Global Talents

The Global Cultural Experience Program provides opportunities for overseas trips to discover growth potentials as global talents by taking middle school students in regional childcare centers nationwide to sites of global companies and cultural heritages. We will exert full support for the students to lay a foundation to grow as global talents by seeing a broader world.

### Financial Career Training for Youths – Experience-based Training for Financial Self-sufficiency

It is a program to support underprivileged adolescents in childcare institutes and juvenile detention centers by providing systematic economic courses so that they could grow as sound members of the society. They are offered with opportunities to explore into various careers to ease confusion about career paths and form proper money-spending habits at a time when they are to leave their institutes through easy-to-understand and intriguing experiential courses.

### ‘Book’ Project – Happiness and Hopes with ‘My Own Books’

The ‘Book’ Project which has been conducted since 2013 is to offer the value of ‘my own books’ to underprivileged children in book-reading. They are gifted with ‘customized books’ suited their interest and book-reading level to support them to feel the joy of owning and reading ‘their own books’.



Financial Career Training for Youths



Book Sponsorship through the ‘Book’ Project

**136,456** people

**Talent Development Program**

Korea's hopes are growing  
(as of April-end, 2016)

**6,123** people

**Scholarship programs**

We support the passion of youth who aspire to learn

**13,026** people

**Shanghai Global Culture Experience**

A broader world makes you dream bigger

**117,307** people

**Educations on Economy / Future Career Path**

Proper economics education guarantees stronger finance in Korea

- 1.1 Protection of Financial Consumers
- 1.2 Raising Customer Values
- Special Report: Smart Asset Management Service
- 2.1 Development of Competitive Products
- 2.2 Differentiated Competitiveness for Asset Management
- 2.3 Advancement into the Global Financial Market
- 3.1 Development of Global Talents

> 4.1 Social Contribution

### 'I Love You', a Donation Campaign – the Start of the Sharing Culture

The sharing culture of Mirae Asset to 'practice warm-hearted capitalism' is embedded in daily lives of employees, e.g. 'Mirae Asset 1% Donation' where 1% of employees' monthly wages are donated, and 'I Love You', a donation campaign with employees' voluntary participation. The amount raised through the two campaigns is formed as a two-fold fund through the one-on-one matching in all affiliates. The meanings and performance of the donation drives are strengthened with employees' voluntary engagement in the matching grant.

### Employees' Volunteering Fulfilling Everywhere Visited with Hopes

Mirae Asset is engaged in dynamic social contribution activities by perceiving social responsibilities through the corporate culture of sharing being established and employee-driven sharing activities. A total of 60 employee volunteer groups conduct various volunteering activities regularly by aligning activities with child and elderly welfare facilities.



'I Love You', a Donation Campaign  
(a donation awarding ceremony)



Volunteering of employees  
(briquette sharing among employees)



### An Essay of a Student in Mirae Asset's Overseas Exchange Program



#### Kim Hyeon-su, a Student of the 14th Year Mirae Asset's Overseas Exchange Program

I was just an ordinary student before I went to Austria as an overseas exchange student. I lacked in any uniqueness within a predictable boundary. So, back then, I was afraid to be asked with questions about 'myself': who I am and what I want to do. I found the true 'me' in Austria as an exchange student. I could see the world outside a class room thanks to the hopes delivered by Mirae Asset. I came to have a proactive view, being bold and courageous in standing up to the world, and my career map became clearer.



#### Gong Hi-won, a Student of the 12th Year Mirae Asset's Overseas Exchange Program

Before I was selected as a scholarship student, I wished to be rich. Yet, I thought of myself being unrealistic. The six months I spent in the U.K. dynamically transformed my life, and gave me confidence, 'It is good to have a dream'. It is because I gained the challenging spirit and courage by meeting various people and encountering diverse experiences. I ended up finding my new dream – what I truly want to do – in the course of achieving each of my dreams. I want to serve as a bridge between Korea and the world to facilitate their exchanges based on my experience as an overseas exchange student.

# MANAGEMENT REPORT

• <a href="#">Corporate Governance</a>	<a href="#">44</a>
• <a href="#">Risk Management</a>	<a href="#">46</a>
• <a href="#">Compliance Management</a>	<a href="#">48</a>
• <a href="#">Talent Management</a>	<a href="#">51</a>
• <a href="#">Eco-friendly Management</a>	<a href="#">53</a>
• <a href="#">Stakeholder Engagement and Materiality Assessment</a>	<a href="#">54</a>
• <a href="#">Financial Data</a>	<a href="#">56</a>
• <a href="#">Economic / Social / Environmental Performance Data</a>	<a href="#">58</a>

## Corporate Governance

Risk Management  
Compliance Management  
Talent Management  
Eco-friendly Management  
Stakeholder Engagement  
and Materiality Assessment

# Corporate Governance

## A Sound and Transparent Corporate Governance

Mirae Asset Securities has established a stable and transparent corporate governance to protect the profits and rights of stakeholders including shareholders while pursuing its continued growth. The top management secures professionalism and ethics at the same time. The board of directors (BOD) as a key decision-making body and its subcommittees sincerely implement their roles and responsibilities. We will enhance corporate transparency by continuously improving our corporate governance and be equipped with an accountable management system.

### Performance of BOD Meetings

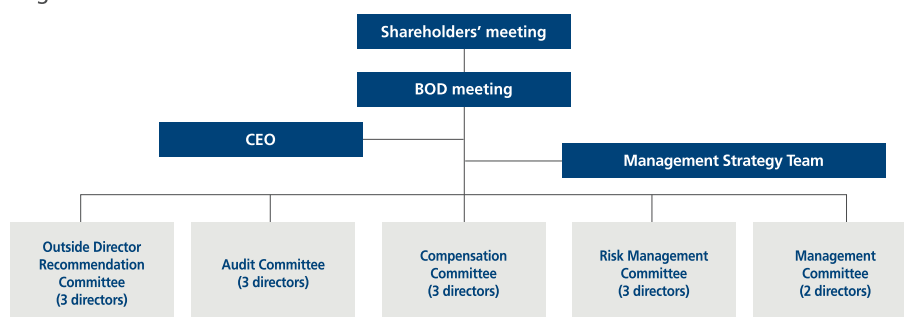
Fiscal year	No. of BOD meetings held	Attendance rate of outside directors	Remarks
2013	8	100	3 general meetings / 5 extraordinary meetings
2014	8	100	4 general meetings / 4 extraordinary meetings
2015	10	100	4 general meetings / 6 extraordinary meetings

## Composition and Management of the BOD

The BOD of Mirae Asset Securities performs its roles, aiming to seek for long-term corporate development through sound and transparent management and to protect the profits of diverse stakeholders including shareholders and financial consumers. The BOD also supports the top management to exercise accountability management based on sound management, and plays constraining functions through corrective measures upon detecting problems in the management activities of the top management. As of June 2016, the BOD consists of six directors (one CEO, one Standing Audit Committee member and four outside directors). Directors of Mirae Asset Securities shall be appointed upon fulfilling financial expertise and soundness, which are prerequisites for executives and maintain their positions prescribed by the Capital Market Act.

Agenda of the BOD are shared before organizing the meetings so that directors can review them in advance. If necessary, the working-level employees are to provide specific explanations on the agenda for them to better understand the issues. In 2015, a total of 10 meetings, that is, four ordinary BOD meetings and six extraordinary meetings were organized. All the directors participated in the BOD meetings 100%, dynamically discussing major management agenda including the approval of large-scale insider trading and revision of executives' wages.

### Organizational Chart of the BOD



### Subcommittees within the BOD

Subcommittees within the BOD	Roles	Composition
Management Committee	Exercising the decision-making right on the execution of overall corporate affairs and related agenda	
Outside Director Recommendation Committee	Recommending and selecting outside directors	A majority of outside directors
Audit Committee	Performing the auditing function on corporate affairs, overall accounting and job execution of directors	Over 2/3 of outside directors
Risk Management Committee	Establishing comprehensive policies on risk management	
Compensation Committee	Designing a performance compensation system, and evaluating and deliberating on the management adequacy	A majority of outside directors, over one person from the Risk Management Committee



## Corporate Governance

Risk Management  
Compliance Management  
Talent Management  
Eco-friendly Management  
Stakeholder Engagement  
and Materiality Assessment

## Composition of the BOD (as of June 2016)

Type	Name	Position	Role	Career Background
Standing	Cho, Woong-kee	CEO	Chairman, Management Committee Chairman, Risk Management Committee Chairman, Outside Director Recommendation Committee	1999 Mirae Asset Securities 1998 Hana Bank 1991 Boram Bank
	Lee, Gwang-seop	Standing Audit Committee member	Chairman, Compensation Committee Member, Management Committee Member, Audit Committee	2008 Mirae Asset Securities 1986 Financial Supervisory Service
Non-standing	Park, Jeong-chan	Outside director	Chairman, Audit Committee Member, Outside Director Recommendation Committee	2013 President of Yonhap News 2013 President of News Y
	Hong, Seong-il	Outside director	Member, Outside Director Recommendation Committee Member, Risk Management Committee	2003 CEO of Korea Investment Securities 2000 CEO of Korea Investment Trust
	Cho, Rae-hyeong	Outside director	Member, Risk Management Committee Member, Compensation Committee	2002 Auditor of Pantech & Curitel 2001 Head of the Sales Division in Investment Financing at KTB network
	Jeong, Yun-taek	Outside director	Member, Audit Committee Member, Compensation Committee	Currently, outside director of Dongsung Corporation 2004 Head of Financial Division (President) of Hyosung Co. Ltd.

## Independence and Expertise of Outside Directors

We complied with the 'Rules on the Corporate Governance of Financial Companies' in December 2014 to appoint outside directors with fairness and transparency. For our outside director qualifications, we added such criteria as integrity, expertise, ethics, accountability and fairness. Qualifications of candidates are verified once they are recommended by the Outside Director Recommendation Committee. When re-appointing outside directors, recommendation is determined based on the annual evaluation on outside directors. All the matters on candidate recommendation prescribed by the 'Rules on the Corporate Governance of Financial Companies' are disclosed in order to enhance the transparency of the candidate recommendation procedure.

## Performance Evaluation of and Compensation for Directors

Mirae Asset Securities periodically evaluates the BOD if it adequately performs its roles and responsibilities as a key decision-making body of the BOD and a watchdog for top management. Comprehensive evaluation takes place for inside directors based on the level of having achieved goals set upon planning corporate management. For outside directors, evaluation is implemented immediately after the closing of a business year by evaluating the BOD's participation, conducting self-evaluation and evaluation among outside directors.

There is the Compensation Committee under the BOD for fairly designing and managing the compensation system. It reviews if the compensation system for the top management and employees involved in specific tasks is adequately designed in harmony with the risk structure, routinely reviewing the correlations of the compensation system with the financial situations and risks. Objectivity of evaluation is boosted as the annual compensation system on compliance with the 'Rules on the Corporate Governance of Financial Companies' is implemented independently from top management.

## Protection of the Decision-making Right for Minority Shareholders and the Employee Stock Ownership

Employees of Mirae Asset Securities can exercise their decision-making right at the shareholders' meeting as qualified members of the employee stock ownership association. As of the fiscal year 2015-end, the equity ratio of the association compared to the total number of stocks issued is 7.04%. Moreover, we take the lead in protecting the rights of shareholders by enabling them to exercise their decision-making right without being engaged in shareholders' meetings by adopting the system to exercise the right in a written form.

Corporate Governance  
 > Risk Management  
 Compliance Management  
 Talent Management  
 Eco-friendly Management  
 Stakeholder Engagement  
 and Materiality Assessment

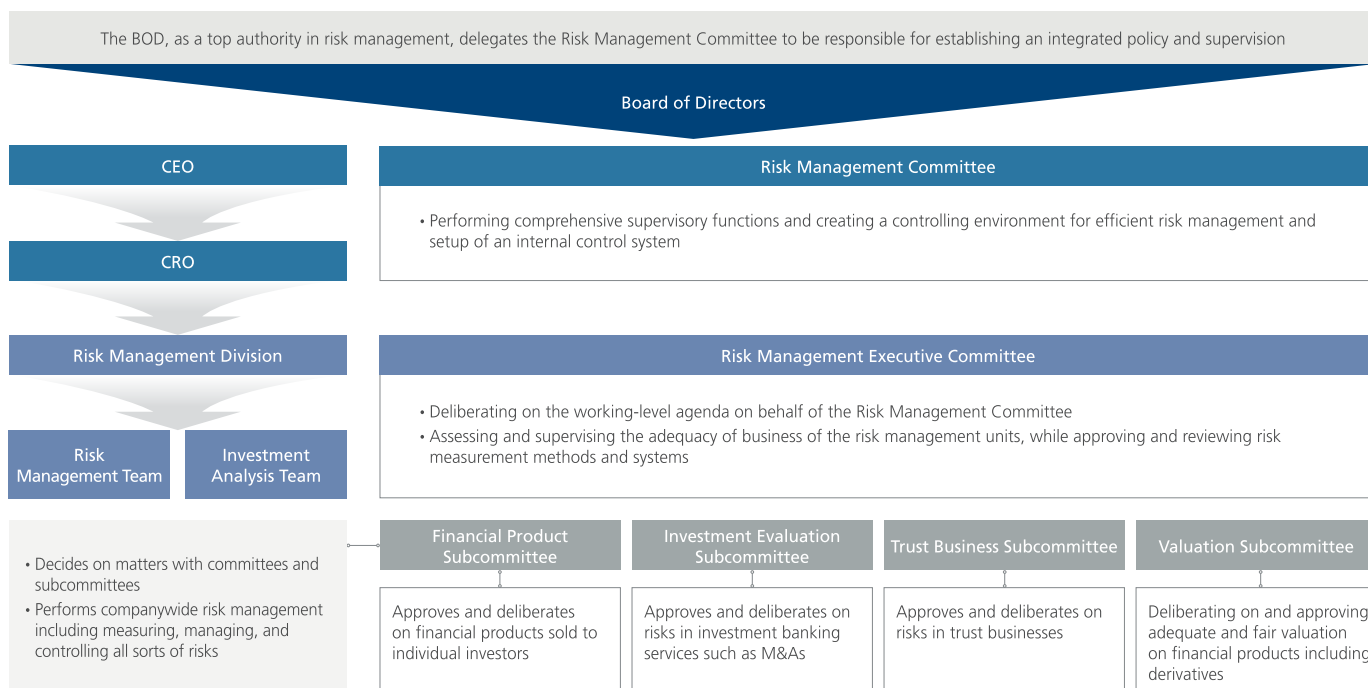
# Risk Management

## Risk Management System

Mirae Asset Securities pursues long-term growth by enhancing stability in profits and soundness in a financial structure. We manage all types of risks accompanied in diverse business areas by devising a risks management system for sustainable growth.

## Risk Management Organization

The Risk Management Committee under the BOD performs comprehensive risk supervisory functions. The Risk Management Subcommittee is in place and run in each sector for a prompt and accurate decision-making process and specialized risk management. The Risk Management Division, a proprietary risk management unit, manages the committee and subcommittee, independently performing practical functions on overall risk management operations. We laid the foundation to make prompt responses to the changing market situation and proactively respond to crises through appropriate fine-tuning of the decision-making authority between the Risk Management Committee and the subcommittee.



## Risk Management Protocol and Regulations

### Risk Management Regulations

Risk management activities are conducted according to risk management regulations and guidelines approved by the Risk Management Committee. Their regulations are based on 'Risk Management Guidelines' as a priority, including specific guidelines of 'risk management guidelines for each project' and 'risk management guidelines for each factor'. The Company also presents specific standards of 'value evaluation manual for derivative products', 'management standard for real estate PF', and 'treatment regulation on corporate actual operation'. Mirae Asset Securities respond to the rapidly changing market by developing regulations periodically.

### Trends in the Regulatory Ratio of the Financial Supervisory Service for Risk Management

Mirae Asset Securities manages risks to comply with the net capital ratio and the leverage ratio, which are regulatory ratios of the Financial Supervisory Service.

### Number of times the Risk Management Committee was organized

2013	5 times
2014	7 times
2015	10 times

Corporate Governance

&gt; Risk Management

Compliance Management

Talent Management

Eco-friendly Management

Stakeholder Engagement  
and Materiality Assessment

## Trends of the Regulatory Ratio of the Financial Supervisory Service

(Unit: KRW 100 million)

Type	2014-end	2015-end	March-end, 2016
Adjusted total assets (A)	190,721	245,400	263,569
Adjusted capital stock (B)	23,128	33,489	33,289
Net capital (C)	14,927	23,553	23,260
Total risks (D)	5,207	6,699	7,485
Net capital ratio (C/D)	287%	352%	-
Leverage ratio (A/B)	825%	733%	792%
Minimum requirement capital (E)	-	-	1,344
Net capital ratio ((C-D)/E)	-	-	1,174%

※ The regulatory ratio has changed into the net capital ratio since 2016.

## Risk Management Procedure

Our risk management is based upon the five steps of identification and classification, measurement and assessment, monitoring and control, risk reporting, and risk inspection.

## Step.1

## Acknowledgement and Classification of Risks

We have a process to preemptively identify, classify, and control risks of corporate and customer assets.

- Research on indicators for early risk recognition
- Review of financial product risks
- Setting of bond and CP baskets

## Step.2

## Risk Measurement and Analysis

Risks are measured by an advanced risk management system where global evaluation engines are adopted.

- Full valuation of derivatives
- Credit review system
- Integrated risk management system

## Step.3

## Monitoring and Controlling Risks

We built a monitoring system for daily risk data and real time operation status. Our committee sets a risk limit and resolves the issue under a regulation if it exceeds the limit.

- Monitoring of limit excess and calculated data
- Monitoring of ceilings for the company and of specific risk ceilings per book

## Step.4

## Reporting

Risk monitoring outcome is periodically reported to the Risk Management Committee and top management. We, in particular, focus on writing reports on an ad-hoc basis amid the rapidly changing financial market.

- Daily / monthly / as-needed reports
- Analysis reports
- Supervisor reports

## Step.5

## Risk Inspection and Correction

Risk measurement methods and systems are periodically reviewed and their outcome is reported to the risk decision-making unit.

- Verifying the adequacy of the risk assessment standard
- Verifying and adjusting the adequacy of ceilings
- Review of responses against crises

## Status of Managing Major Risk Factors

For a systematic risk management, the Company categorizes risks into market, credit, liquidity and operational risks, and provides appropriate responses for each factor.

## Market Risks

- Measuring market risks using internal and standard models, and setting and managing the limits
- Conducting the Stress Test through historical and user scenarios in preparation for abnormal market situations
- Controlling risks through independent analyses on new or unique products

## Credit Risks

- Controlling credit exposure and monitoring through credit VaR measurement for each trading target and credit level
- Devising the exposure of credit risks by combining actual risks and potential risks
- Fully utilizing methods of set-off contract, collateral acquisition, third-party guarantee, and others, and reviewing and managing the credibility of the personnel and adequacy of acquired collateral

## Liquidity Risks

- Establishing the standard for liquidity risk management reflecting the features of assets under management in Mirae Asset Securities
- Establishing methods for asset sell-off and financing prior to crisis, while measuring the liquidity ratio and gap on a daily basis

## Operational Risks

- Setting KRI, an quantified indicator for monitoring operational risks, and calculating & managing evaluation ratings on it on a monthly basis
- Operation by conducting the RCSA evaluation on a quarterly basis where individual business managers do hands-on evaluation

Corporate Governance  
Risk Management  
➤ **Compliance Management**  
Talent Management  
Eco-friendly Management  
Stakeholder Engagement  
and Materiality Assessment

# Compliance Management

## Background for Ethical Management

Amid higher expectations and awareness of the public on corporate ethics, ethical reputation has become a core element to the extent of threatening corporate survival beyond its competitiveness. Employees at Mirae Asset Securities sincerely perform responsibilities and duties in the financial sector while complying with related laws, rules and norms by enhancing their ethical awareness properly. They also steadily make efforts to practice the core point of the 'prioritization of customer values' by reaffirming the importance and impact of transparent management activities.

## Commitment for Ethical Management

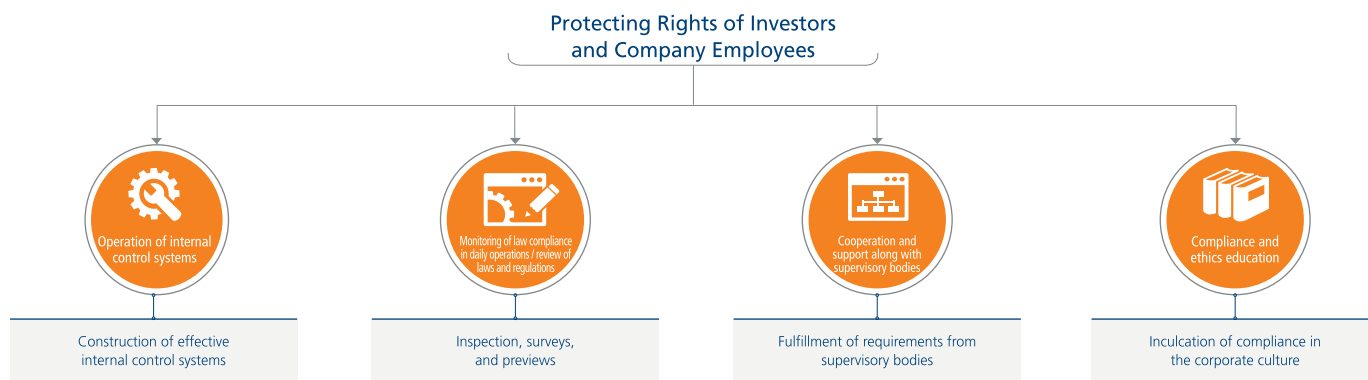
Ethical management is emphasized again in the New Year's Greetings of the Group's CEO. Chairman Park Hyeon Joo of Mirae Asset expressed his commitment in his New Year's Greetings in 2016 – "We will establish a culture focused on customer and shareholder values in all the decision-making processes by intensifying the function of compliance". We plan to achieve sustainable growth alongside customers, while spreading ethical management internally driven by the firm commitment of the top management.

## Operation of the Helpline System for Whistleblowing

We consigned the 'Clean Talk' system, the existing whistleblowing system, to an independent third party in February 2016 to guarantee whistleblowers' identity and anonymity, and improved it into the 'Helpline' system and manages it accordingly. Data entered by whistleblowers is checked out by the CEO, who takes adequate actions by identifying matters of facts on what has been reported. We plan to fully leverage and manage the whistleblowing helpline system as a key program to establish transparent management.



The Helpline System



## Code of Ethics Programs

Ethical Management Culture	Ethical Management System	Customer Protection
<ul style="list-style-type: none"> <li>· Code of ethics</li> <li>· Ethical management declaration ceremony</li> <li>· Pledge on ethical management</li> <li>· Website for ethical management</li> <li>· MIRAESSET Ethics-Day</li> <li>· Questionnaire on self-check on ethics</li> <li>· Ethical compliance training</li> <li>· Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>· Whistleblowing system</li> <li>· Integrity pact system</li> <li>· Sending letters on ethical management practice to clients</li> <li>· Reporting system on gift and entertainment exchanges</li> <li>· Compliance officer system for each department and branch</li> </ul>	<ul style="list-style-type: none"> <li>· Disclosure of VOC on the website</li> <li>· Regulations on Financial Consumer Protection</li> <li>· Financial Consumer Protection Council</li> <li>· Training on financial consumer protection</li> <li>· Institutional Improvement Committee</li> <li>· Prior handling system for customer complaints</li> </ul>

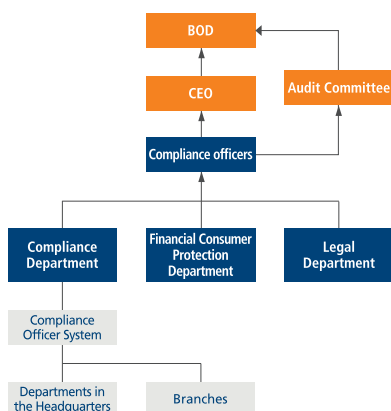
## Reporting of Performance on Program Management

Strategy Setting

Reflecting in Management Activities



Corporate Governance  
Risk Management  
> **Compliance Management**  
Talent Management  
Eco-friendly Management  
Stakeholder Engagement  
and Materiality Assessment



## Action Pledge for Ethical Compliance

Early each year, employees submit their action pledge for ethical compliance to refresh themselves on legal compliance on ethics, and commit themselves to fair and transparent ethical management practice based on honesty and trust.

## Compliance Officers

Compliance officers are appointed at the BOD by being recommended by the CEO. They review employees' compliance with internal control standards, and conduct overall legal supervision in the Company by demanding corrections or improvements if problems or weaknesses are discovered. Moreover, they perform ethical compliance activities by establishing policies on ethical management and managing action programs. In order to support their job functions, we established the Compliance Division consisting of the Compliance Team, Financial Consumer Protection Team and Legal Affairs Team. In order for sites to implement seamless compliance monitoring, each department and branch appoints compliance officers (76 in branches and 51 in the headquarters) for specific operations of legal compliance.

## Compliance Monitoring Activities

In order to make the Company corruption-free and transparent, we launched on-site monitoring units in branches in December 2013 to spot-check major factors for accidents including embezzlement and unlawful floor trading on sites. On-site inspection took place for 45 branches in 2014 and 40 in 2015. Training is accompanied on major compliance issues during the on-site inspection. Moreover, we established a legal compliance monitoring system in diverse areas including suspicious transactions involving money laundering, employees' floor trading, provision of property interests and unfair transactions. Regulatory violations discovered through monitoring are corrected and improved in a timely manner. Quarterly compliance performance results are reported to the CEO as we strive to effectively practice legal compliance.

## Compliance Training Activities

Type	Target	Cycle	Note
Regular ethical compliance training	All employees	Once a year	Key matters for internal control
Routine ethical compliance training	New employees	Once a month	
Compliance officer training	Compliance officers in branches / headquarters	2~3 times a year	Job functions for internal control inspection
Training on major issues	Each department	Routinely	Market order distorting acts / Kim Young-ran Act, also known as the Anti-Corruption Act
Anti-money laundering training	Professional positions / Sales positions in branches	Routinely	General matters on money laundering

## Ethical and Legal Compliance Training

Training on ethical management is provided to all employees to strengthen ethical management. All employees are required to complete 14 ethical training courses on cyber compliance a year. Biannual training on the protection of financial consumers and compliant prevention is provided to employees in branches. Outside specialists are invited to offer regular training to protect financial consumers including financial consumer protection training on product planning/development stages for employees in the Product Planning / Development Department in the headquarters. Moreover, we strive to lay the foundation for ethical management through diverse activities including legal compliance officer training and anti-money laundering training in branches and the headquarters. Compliance results are reflected in the comprehensive evaluation of branches so that evaluation criteria to reach ethical management goals are strengthened, and matters on the protection of financial consumers are reflected in the KPI evaluation of the heads of the WM section of the headquarters.

Corporate Governance

Risk Management

&gt; Compliance Management

Talent Management

Eco-friendly Management

Stakeholder Engagement  
and Materiality Assessment

### Compliance Award

#### Awards and Prizes

- Jan. 2013 Grand Prize at the 2012 Compliance Award of Korea Exchange (in the category of dispute resolution)
- Jan. 2015 Grand Prize at the 2014 Compliance Award of Korea Exchange (in the category of dispute resolution)
- Dec. 2015 Selected as the best practice in ethical management by the Financial Supervisory Service

## The Compliance Award

The Compliance Award is presented by the Market Monitoring Committee of the Korea Exchange to member companies and individuals that are equipped with an adequate internal control system for compliance inspection and monitoring, contributing to the prevention of unfair transactions and protection of investors. Mirae Asset Securities won the Grand Prize in the 2015 Compliance Award following 2013 with its efforts being recognized for creating an environment for protecting financial consumers on sites and preventing securities disputes. Our corporate core value, 'Mirae Asset Securities exists for customers', and efforts to practice it were highly acclaimed to bear such a fruit.

## Operation of ME Day

Since February 2014, we have operated MIRAEASSET Ethics-Day (formerly known as the Compliance Day), a program for sustainable actions. It is organized on a monthly basis for all departments and branches to enhance awareness about ethical compliance among employees and create an enterprise-wide ethical culture. Issues in various areas are selected including accident prevention, sound business operation, legal compliance and ethical compliance. Selected ethical compliance tasks are carried out being led by compliance officers in each department and branch in a procedure where tests (questionnaires), self-check and training are autonomously conducted and the results are presented as feedback.

By doing so, effects to enhance ethical compliance are achieved by addressing and mulling over diverse ethical compliance issues, and operational results are reported to the top management. Reporting the operational results to the top management significantly contributes to forming a consensus among the top management and establishing ethical compliance management in the Company. The MIRAEASSET Ethics-Day (ME-Day) program was selected in the 'Best Cases in Ethical Management and Practice of Financial Companies' by the Financial Supervisory Service in December 2015 (two securities companies were selected). We will develop diverse action plans and on-site execution methodologies and continue to manage our unique ethical action program continuously.

## ME Day Program

### 2014

<b>February</b>	Self-monitoring financial accidents, finding out improvement measures	<b>March</b>	Inspecting integrity for the internal control checklist	<b>April</b>	Inspecting family-name accounts, taking actions to close them
<b>May</b>	Inspecting excessive archiving of personal information, taking actions to delete them	<b>June</b>	Inspecting activities for prior handling of complaints, discussing measures to reduce complaints	<b>July</b>	Refreshing on the Clean Talk (internal whistleblowing) system, recognizing tips for actions
<b>August</b>	Filling in the questionnaire on ethics and being aware of the code of ethics	<b>September</b>	Sharing the results of the ethical questionnaire and coming up with measures for ethical actions	<b>October</b>	Being aware of constraints on securities companies imposed by the Financial Supervisory Service
<b>November</b>	Making arrangements including registering files where personal information is not registered	<b>December</b>	Keeping in mind (role playing) the Act on Real Name Financial Transactions (prohibition of transactions in borrowed names)		

### 2015

<b>January</b>	Self-inspecting the usage of personal electronic telecommunications devices	<b>February</b>	Q&A on the unfair provision and receipt of gifts and entertainment	<b>March</b>	Being aware of strengthening regulations against acts which distort the market order
<b>April</b>	Precautionary measures in using email and messenger services	<b>May</b>	Being aware of regulatory cases against acts which distort the market order	<b>June</b>	Discussing measures to improve business practices in preventing financial accidents
<b>July</b>	Self-inspecting efforts to prevent financial accidents and sharing measures to improve business practices	<b>August</b>	Simple Test – 'Property Interests'	<b>September</b>	Simple Test – 'Market Order Distorting Acts'
<b>October</b>	Simple Test – 'Personal (Credit) Information'	<b>November</b>	Simple Test – 'Employees' Floor Trading'		

### 2016

<b>January</b>	Reviewing the Action Pledge for Ethical Compliance (checking out what I have pledged)	<b>February</b>	Keeping in mind how to use the 'Helpline', an internal whistleblowing system	<b>April</b>	Code of Ethics_mutual respect among employees (submission of action plans)
----------------	---	-----------------	--	--------------	--

Corporate Governance  
Risk Management  
Compliance Management  
➤ **Talent Management**  
Eco-friendly Management  
Stakeholder Engagement  
and Materiality Assessment

# Talent Management

## Conducting Competency-based Open Recruitment

Driven by the government's policy to reinforce support for job search for specialized vocational high schools, excellent talents are placed in financial / accounting sectors through early customized training. In tandem with such changes in the recruitment system, we established a competency-based open recruitment system beyond qualifications that are unrelated to job performance skills. Regular recruitment is made for graduates of specialized vocational high schools. We also extend support for early job finders through job seminars and internship programs for early settlement in their workplaces so that they could have a soft landing in the society. We plan to expand the scale of open recruitment driven by job capabilities so that applicants are provided with opportunities to further strengthen their prepared incomparable (on-spec) competencies, and to recruit talents that are optimized for job functions.

## Introduction of the Promotion System to Foster the Female Workforce

Along with the job family conversion system to foster the female sales workforce, we have launched and are managing an assistant manager system for securities teller in order to boost morale and willingness to work among female professionals. The assistant management position has been newly added to the job family which used to be managed as a single job rank system so that more professionals with many experiences could be promoted. We also established an environment for them to use their know-how in a stable environment. Starting with the first practice in 2015, 111 professionals in the first half and 53 professionals in the second half, totaling 164, were promoted to assistant managers. This figure is 38% of the total number of professionals amounting to 439 (as of December 31, 2015). We plan to increase the number of the position for professionals by continuously implementing it. A career management system is expected to be implemented to foster the female workforce in the long term by linking it to a job family conversion system.

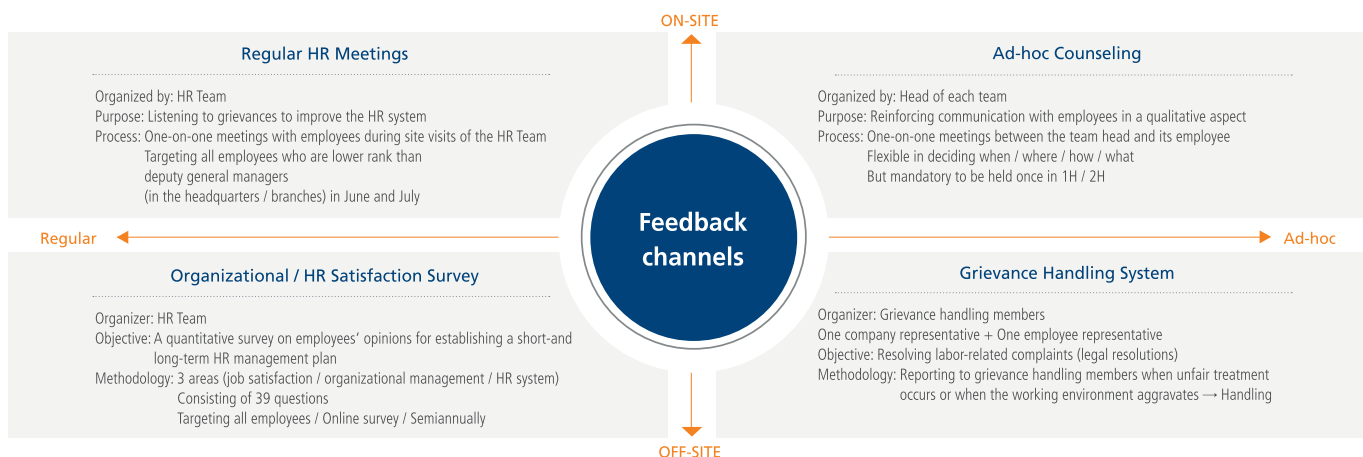
## Grievance Handling System and Employee Communication

### Grievance Handling System

We identify working conditions in depth through multi-directional and routine communication to improve the working environment for employees and resolve personal matters, and strive to make improvements in real time.

### Grievance Counseling System for Women

We have devised a channel to listen to female employees' exclusive grievances besides the general grievance handling system. They are invited to confide in their complaints which might be exclusively experienced by women in their organizational life by two female counselors: an in-house lawyer providing legal counseling and an HR employee taking HR-related actions. Grievance handling related to sexual harassment is prescribed by the rules of employment. Male employees can also apply for counseling on sexual harassment to a male employee on the HR Team.



Corporate Governance  
Risk Management  
Compliance Management  
**Talent Management**  
Eco-friendly Management  
Stakeholder Engagement  
and Materiality Assessment

### Labor-Management Council

The Labor-Management Council is in operation being comprised of five members respectively from the labor and the management including the CEO in accordance with the management protocol of the council. Its meetings are organized routinely on special occasions, besides the regular quarterly meetings. The meetings cover key agenda impacting the working conditions of employees ranging from recruitment and placement to performance distribution and improvement of the working environment. Changes in the working conditions and various institutions are immediately reported to the council for transparent and fair management, which serves as a communication channel between the Company and employees.

### Payment of Retirement Pension

We strengthen employees' rights to receive pension benefits by adopting the retirement pension system. We provide the Defined Contribution (DC)-type retirement pensions to all eligible employees who have worked for one or more years. Moreover, we have introduced a system to pay a portion of the performance pay as enterprise charges, which will be up and running in the first half of 2016. With the introduction of the system, employees of Mirae Asset can now design a more stable post-retirement life.

### Adoption of the Wage Peak System

We introduced the retirement age extension and wage peak system early 2015 in order to respond to socio-environmental changes including the entry into the aging society and revision of related retirement age laws and establish an HR system to enable sustainability over the long term. The retirement age for workers was extended from 55 to 60. From the age of 55 to the retirement age, a certain portion of the existing annual salary is paid as wages (60% on average). As a result, workers will be guaranteed with the employment of up to the extended retirement age (60 years of age), while the Company could utilize the know-how of a seasoned workforce. Consequently, it has become a mutually beneficiary structure for both parties.

### Welfare Benefits Considering Employees' Lifecycle

We strive to establish a corporate culture ensuring work-life balance so that the Company can communicate with employees through the welfare benefit system in consideration of their lifecycle as well the systematic management of the system.

In order to establish a working environment that enables employees to be more immersed in their work, we extend financial and non-financial support depending on events in their lifecycle along with statutory welfare benefits including yearly paid leaves and four compulsory social insurances. We are to enhance employees' devotion to the Company and self-pride through timely and rational support.

#### Welfare Benefit System in Consideration of Employees' Lifecycle





Corporate Governance

Risk Management

Compliance Management

Talent Management

> **Eco-friendly Management**Stakeholder Engagement  
and Materiality Assessment

# Eco-friendly Management

## Eco-friendly Management System

Social responsibilities of companies on environmental issues in the financial sector are increasing, including the carbon emission trading scheme and green financing. Against this backdrop, we strive to fulfill our environmental responsibilities based on the eco-friendly management system, including GHG emission reduction and energy saving. Moreover, we are committed to creating new business opportunities through the facilitation of green financing.

## Reduction Activities through GHG and Energy Management

Mirae Asset Securities is striving to minimize the environmental impact of the quantitative performance management on the energy and GHG. We will grow into a company that prevents potential environmental risks and fulfills our environmental responsibilities by expanding the scope of eco-friendly management not only at the headquarters level but also to branches.

## Action Plans for Energy Saving

We carry out activities for energy saving and GHG emission reduction by coming up with our 'Action Plans for Energy Saving'. The amount of energy used and GHG emissions are managed at the headquarters and all the branches, and activities for energy saving to reduce the amount of electricity as the main source of energy are performed.

## GHG Management and Reduction Activities

There is almost zero direct GHG emission due to energy sources directly owned or managed by the Company, given the nature of the financial industry. We manage the Scope 2 of indirect emissions. We also encourage employees to take part in GHG emission reduction activities in their daily lives. We replaced outdoor advertisements with high-efficiency LED lighting. We also form enterprise-wide consensus by waging a campaign by constraining the use of air conditioning units and heating devices, while tuning off lights during off hours.

## Water, Resource and Waste Management

We use waterworks for the total amount of water usage and do not use recycled water including ground water. Various campaigns are underway to reduce resources, including utilization of the used paper as well as reduction of water used. All the waste discharged, given the nature of the financial industry, is 100% domestic waste, which is treated by an outside consignment company. Effluent is 100% treated in the sewage treatment plan of Seoul Metropolitan Government, and the environmental impact is minimized through thorough separation of garbage disposal.

## Raising the Environmental Awareness of Employees and Establishing a Green Office

We focus on the importance of efforts to lower the environmental impact for sustainable development, while raising the environmental awareness among employees. The Mirae Asset Center 1 Building was certified as an architectural building under a campaign to minimize the environmental footprint based on the 'energy saving action plans' to implement a green office (Certification No. 1-245). It became the first building in Korea to receive the silver grade in the Core & Shell category of eco-friendly buildings from the U.S. Green Council in the category of the Leadership in Energy and Environment Design (LEED).

Corporate Governance  
Risk Management  
Compliance Management  
Talent Management  
Eco-friendly Management

Stakeholder Engagement  
and Materiality Assessment

# Stakeholder Engagement and Materiality Assessment

Mirae Asset Securities wishes to expand stakeholder relevance and trust by defining the targets where direct and indirect impacts are exchanged in the course of management activities as stakeholders, and dynamically communicating with them via dynamic communication channels.



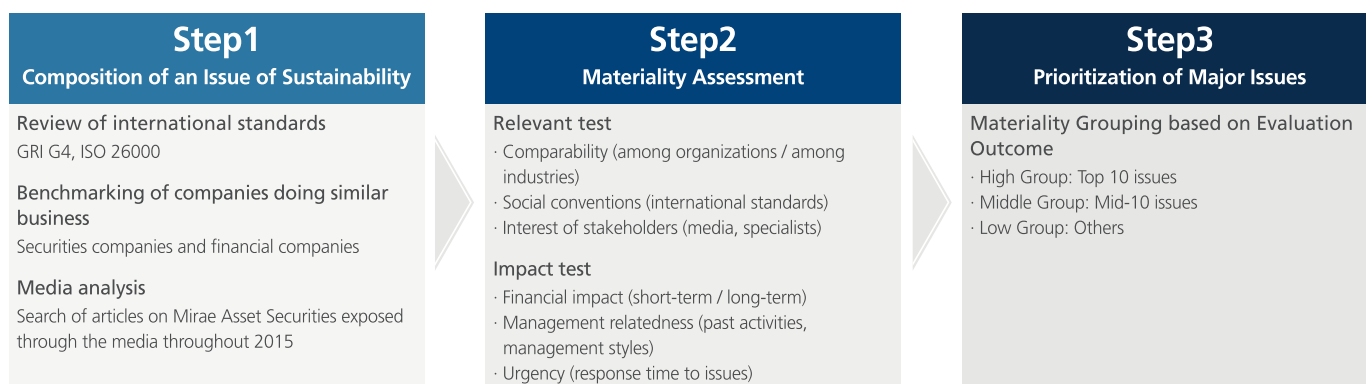
## Communication with Stakeholders

We set shareholders, investors, customers, government, partner companies, employees and local community as the major six stakeholders and receive opinions from them through communication channels such as customer satisfaction surveys, labor-management council meetings and IR.

## Materiality Assessment

We selected issues of materiality for sustainable growth by analyzing the internal and external management environment. Accordingly, we conducted materiality assessment for prioritization of issues, classified issues of materiality based on the core values of Mirae Asset Securities, and formed the table of content.

### Materiality Assessment Process

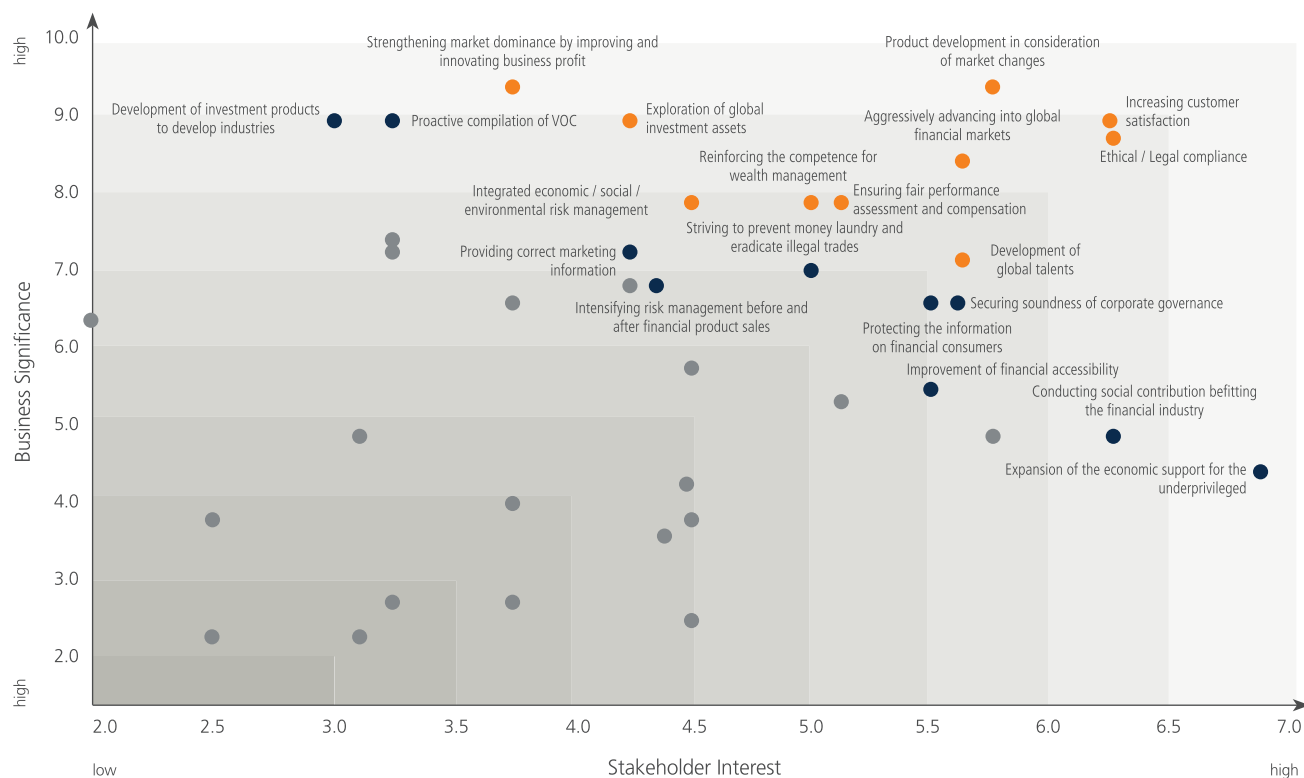


Corporate Governance  
Risk Management  
Compliance Management  
Talent Management  
Eco-friendly Management

Stakeholder Engagement  
and Materiality Assessment

## Materiality Assessment Mapping

Materiality ● high ● medium



## Composition of the Sustainability Report

Core Values	Issues of Materiality	Table of Content
Mirae Asset exists for customers	<ul style="list-style-type: none"> <li>Protecting the information on financial consumers</li> <li>Providing correct marketing information</li> <li>Intensifying risk management before and after financial product sales</li> </ul>	Protection of financial consumers
	<ul style="list-style-type: none"> <li>Increasing customer satisfaction</li> <li>Proactive compilation of VOC</li> </ul>	Enhancement of customer values
	<ul style="list-style-type: none"> <li>Product development in consideration of market changes</li> <li>Development of investment products to develop industries</li> </ul>	Development of competitive products
We have independence and competitive advantages as a professional investment group	<ul style="list-style-type: none"> <li>Reinforcing the competence for wealth management</li> <li>Integrated economic / social / environmental risk management</li> </ul>	Differentiated competitiveness for asset management
	<ul style="list-style-type: none"> <li>Exploration of global investment assets</li> <li>Aggressively advancing into global financial markets</li> </ul>	Advancement into the global financial market
	<ul style="list-style-type: none"> <li>Ensuring fair performance assessment and compensation</li> <li>Development of global talents</li> </ul>	Development of global talents
We respect individuals and trust the value of team play		
Recognizing and practicing social responsibilities	<ul style="list-style-type: none"> <li>Expansion of the economic support for the underprivileged</li> <li>Conducting social contribution befitting the financial industry</li> <li>Improvement of financial accessibility</li> </ul>	Social contribution

# Financial Data

Financial Data

Economic Performance Data

Social Performance Data

Environmental Performance Data

## Consolidated Statements of Financial Position

### Mirae Asset Securities Co., Ltd. and Subsidiaries

(Unit: KRW million)

Account	17 <sup>th</sup> 2015.01~2015.12	16 <sup>th</sup> 2014.01~2014.12	15 <sup>th</sup> 2013.04~2013.12
Cash and cash equivalents	391,021	119,080	221,800
Financial assets at fair value through profit or loss	19,316,184	14,546,124	12,310,900
Available-for-sale financial assets	2,470,756	2,253,223	1,943,536
Loans and receivables, net	5,516,537	4,668,785	4,905,038
Investments in associates	357,150	378,150	5,443
Investment properties, net	116,530	579,067	556,335
Property and equipment, net	10,919	9,344	11,841
Intangible assets, net	26,642	28,011	31,452
Other assets	191,818	69,222	72,495
Income taxes receivable	18,464	20,593	19,856
Deferred tax assets	-	-	514
<b>Total assets</b>	<b>28,416,022</b>	<b>22,671,598</b>	<b>20,079,211</b>
Financial liabilities at fair value through profit or loss	9,607,540	8,014,997	6,434,126
Deposits due to customers	945,135	727,725	657,021
Borrowings	9,715,171	7,484,938	6,896,022
Debentures	1,496,066	944,262	519,739
Provisions	5,019	4,457	4,018
Other liabilities	3,136,305	3,080,330	3,436,300
Income taxes payable	4,387	3,459	3,704
Deferred tax liabilities	54,362	56,101	17,169
<b>Total liabilities</b>	<b>24,963,984</b>	<b>20,316,269</b>	<b>17,968,099</b>
Capital stock	571,429	209,461	209,461
Capital surplus	1,447,695	852,203	852,203
Retained earnings	1,398,258	1,242,973	1,076,502
Capital adjustment	(56,925)	(57,137)	(59,617)
Accumulated other comprehensive income	68,210	83,793	10,061
Non-controlling interests	23,370	24,038	22,501
<b>Total equity</b>	<b>3,452,037</b>	<b>2,355,330</b>	<b>2,111,111</b>
<b>Total liabilities and equity</b>	<b>28,416,022</b>	<b>22,671,598</b>	<b>20,079,211</b>



## Consolidated Statements of Comprehensive Income

## Mirae Asset Securities Co., Ltd. and Subsidiaries

(Unit: KRW million)

Account	17 <sup>th</sup> 2015.01~2015.12	16 <sup>th</sup> 2014.01~2014.12	15 <sup>th</sup> 2013.04~2013.12
I . Operating revenue	4,192,500	3,391,254	1,943,766
1. Commissions received	296,109	256,295	194,191
2. Gains on financial instruments at fair value through profit or loss	3,160,132	2,503,695	1,304,351
3. Gains on available-for-sale financial assets	90,481	33,388	18,830
4. Interest income	510,558	497,926	377,937
5. Gains on loans and receivables	52	211	1,629
6. Gains on foreign currency transactions	81,205	55,128	17,329
7. Others	53,964	44,610	29,499
II . Operating expenses	4,044,032	3,191,735	1,873,129
1. Commissions expense	50,516	33,074	26,991
2. Losses on financial instruments at fair value through profit or loss	3,263,945	2,548,419	1,396,912
3. Losses on available-for-sale financial assets	49,740	25,866	16,939
4. Interest expense	239,747	210,599	167,621
5. Losses on loans and receivables	37,183	12,517	6,975
6. Losses on foreign currency transactions	69,012	39,372	34,219
7. Salaries	189,430	189,664	123,430
8. Selling and administrative expense	139,019	127,838	97,787
9. Others	5,439	4,387	2,256
III . Operating income	148,468	199,520	70,637
IV . Non-operating income, net	77,634	57,283	24,309
1. Non-operating income	113,264	60,296	25,720
2. Non-operating expense	35,630	3,013	1,411
V . Profit before income tax expense	226,102	256,802	94,947
VI . Income tax expense	51,463	74,572	24,063
VII . Profit for the period	174,640	182,231	70,884
1. Equity holder of the company	169,751	180,918	68,763
2. Non-controlling interests	4,889	1,312	2,121
VIII . Other comprehensive income (loss) for the period, net of tax	(14,944)	73,956	(31,693)
(1) Net change in unrealized valuation of available-for-sale financial assets	(10,900)	51,148	(10,783)
(2) Equity in other comprehensive income of associates	4,871	22,847	(217)
(3) Foreign currency translation adjustment	(8,915)	(40)	(20,692)
IX . Total comprehensive income for the period	159,695	256,187	39,191
1. Equity holder of the company	154,167	254,650	37,101
2. Non-controlling interests	5,528	1,537	2,090
X . Earnings per share (Unit: won)			
1. Basic earnings per share	2,428	2,888	1,638

# Economic Performance Data

Financial Data

Economic Performance Data

Social Performance Data

Environmental Performance Data

## Economic Activities

### Performance of Returning the Shareholder Interest

Type	Unit	2013	2014	2015
Net income of common stock	KRW million	67,554	149,333	142,700
Total dividend amount	KRW 100 million	144	145	398
Cash dividends per share	KRW	350	100	350
Earnings per share	KRW	1,638	2,888	2,428

### Value Allocation for Each Stakeholder

(on the basis of the separate financial statement)

Type	Unit	2013	2014	2015
Employees	KRW 100 million	1,142	1,814	1,779
Community	KRW 100 million	55	53	47
Government (corporate tax)	KRW 100 million	226	651	425
Shareholders (dividend)	KRW 100 million	144	145	398

### Performance of Key Businesses

Type	Unit	2013	2014	2015
Retirement pension reserve	KRW trillion	2.7	3.5	4.4
IB income	KRW 100 million	265	473	764
Total customer assets	KRW trillion	56	61	66
Operating revenues from consignment business	KRW 100 million	1,160	1,006	1,415

### Risk Management Committee and Status of Organizing the BOD Meetings

Type	Unit	2013	2014	2015
Risk Management Committee	times	5	7	10
BOD meeting	No. of BOD meetings held	8	8	10
	Attendance rate of outside directors	%	100	100
	Remarks	3 general meetings / 5 extraordinary meetings	4 general meetings / 4 extraordinary meetings	4 general meetings / 6 extraordinary meetings

### Shareholders' Status

Type	Unit	2013	2014	2015
Majority shareholders and related persons	Mirae Asset Capital	%	37	38
	Mirae Asset Life Insurance	%	1	-
	Employee Stock Ownership Association	%	0.6	0.4
Foreigners	Treasury stock	%	1.5	1.3
	Domestic personal investors	%	20.9	17.2
Institutions	Domestic institutional investors	%	19.1	23.2
Individuals	Foreign investors	%	19.9	19.8
				13.1

# Social Performance Data

Financial Data
Economic Performance Data
<b>Social Performance Data</b>
Environmental Performance Data

## General Employees and Executives

### No. of Employees at Home and Abroad

Type	Unit	2013	2014	2015
Domestic	persons	1,846	1,870	1,857
Overseas	persons	2	2	2

### Employee Demography

Type	Unit	2013	2014	2015
No. of total executives	persons	88	95	102
No. of total employees	persons	1,760	1,777	1,759
No. of officers and employees	persons	1,848	1,872	1,859
No. of full-time employees	persons	1,816	1,808	1,813
No. of temporary employees	persons	32	64	48
Percentage of temporary employees transitioning into full-time	%	18.5	14.2	45.0
Employee resignations	persons	121	134	101
Resignation rate of all employees	%	6.3	7.25	5.39
Full-time employee resignations	persons	112	114	88
Temporary employee resignations	persons	9	20	13
No. of new recruits	persons	8	97	19
Ratio of female new recruits	%	87.5	58.7	84.2
New recruits resigning within two years	%	0.0	27.8	10.5
No. of male employees	persons	1,034	1,032	1,017
No. of female employees	persons	814	840	844
Rate of female executives	%	14.7	13.8	15.2

\* For the number of total resignations, the period is nine months for FY2013 (April - December) due to changes in the starting date of FY 2014

\* Corrected the number of new recruits, ratio of female new recruits, and resignation of new recruits within two years, due to the errors in the existing report

### Rank-specific Performance and Ratio of Competency Evaluation

(Unit: %)

Type	2013	2014	2015
Staff	40:60	40:60	40:60
Assistant managers	40:60	40:60	40:60
Managers	50:50	50:50	50:50
Deputy general managers	50:50	50:50	50:50
General managers	50:50	50:50	50:50
Directors including team head / Branch managers	60:40	60:40	60:40

## Employee Salaries and Welfare Benefits

### Expenses for Welfare Benefits

Type	Unit	2013	2014	2015
Expenses for congratulations and condolences for employees	KRW million	306.5	302.8	323.6
Gift certificates, etc. for employees' ceremonies	KRW million	161.5	212.5	222.0
Reimbursement of tuition expenses for children	KRW million	447.0	560.5	677.0
Medical examination fees	KRW million	435.6	455.8	509.0
Medical fees for employees	KRW million	323.8	364.6	377.0
Medical insurance premium	KRW million	369.7	375.6	421.9
Premiums others	KRW million	196.6	202.4	240.3
Total	KRW million	2,240.7	2,474.2	2,770.8

### Ratio of Base Salary of Male and Female Employees by Job Position

Type	Unit	2013	2014	2015
Ratio of base salary of male and female employees by job position (staff)	%	102	99	99
Ratio of base salary of male and female employees by job position (assistant managers)	%	103	100	100
Ratio of base salary of male and female employees by job position (managers)	%	102	104	103
Ratio of base salary of male and female employees by job position (deputy general managers)	%	96	97	98
Ratio of base salary of male and female employees by job position (general managers)	%	75	104	101
Ratio of standard entry level wage compared to local minimum wage	%	341	318	297

\*As for the ratio of base salary of male and female employees by job position, it is '100' for female, and securities teller and call center counselor positions have been excluded.

### Status of Maternity Leave

Type	Unit	2013	2014	2015
No. of applicants for maternity leave (male)	persons	1	3	4
No. of applicants for maternity leave (female)	persons	74	93	96

### Status of Industrial Accidents

Type	Unit	2013	2014	2015
No. of accident victims	persons	0	0	0
Industrial accident rate	%	0	0	0
No. of days lost	days	0	0	0
Rate of days lost	%	0	0	0



## Talent Development

### Employee Education

Type	Unit	2013	2014	2015
Total offline education	hours	2,417	2,735	3,381
Total participants in offline education	persons	4,887	5,008	5,317
Training cost per person	KRW million	0.77	1.20	1.39
Internal education expenses	KRW million	1,078	2,040	2,286
External education expenses	KRW million	286	97	108
Overseas education expenses	KRW million	43	85	108
Other education expenses	KRW million	22	23	23
Self-learning	persons	14	11	14
	KRW million	43	85	108

## Reinforcing Ethical Management

### Compliance Officer Training

Type	Unit	2013	2014	2015
Number of individuals trained	persons	125	252	152
Training expense	KRW 1,000	11,005	2,774	2,496
Hours of training	hours	5.5	4.0	3.0

### Training on Cyber Compliance Ethics

Type	Unit	2013	2014	2015
Number of individuals trained*	persons	1,647	1,642	1,633
Training expense	KRW 1,000	15,862	30,335	12,940
Hours of training**	hours	Once (8 hours)	Once (11 hours)	Once (12 hours)

\*Additional training for individuals who have not been trained

\*\*Conducted once a year

Financial Data
Economic Performance Data
<b>Social Performance Data</b>
Environmental Performance Data

### Training against Money Laundering

Type	Unit	2013	2014	2015
Number of individuals trained	persons	829	252	1,838
Training expense	KRW	0	0	10,688,224
Hours of training*	hours	1.0	1.0	4.9

\*Average number of hours for training (=total training hours / total number of trainees)

### Training on the Prevention of Sexual Harassment

Type	Unit	2013	2014	2015
Number of individuals trained	persons	1,647	1,667	1,660
Training expense	KRW	15,862,000	20,000,000	12,940,000
Hours of training	hours	Once (50 minutes)	Once (50 minutes)	Once (50 minutes)

## Strengthening Complete Sales (Financial Consumer Protection Team)

### Results of the Mystery Shopping for Complete Sales

Type	Unit	2013	2014	2015
1Q	points	80.69	92.9	97.0
2Q	points	87.85	92.1	89.7
3Q	points	92.00	94.7	92.9
4Q	points	92.00	92.2	100.0

### Training on the Complete Sales Process

Type	Unit	2013	2014	2015
Number of individuals trained	persons	-	54	874*
Training expense	KRW	-	5,010,000	24,866,400
Hours of training	hours	-	3.0	3.0

\*Collective training for employees in all branches in 2015

## Customer Satisfaction

### Reception and Treatment of VOC Data

Type	Unit	2013	2014	2015
Number of VOCs received	cases	5,849	8,298*	6,630
Number of VOCs resolved	cases	5,724	8,298	6,573

\*Increases in the number of inquiries and complaining VOC due to the closing of the former HTS (Maps Plus) and opening of the new HTS (KAIROS) in 2014

### Portion of Smartphone-based Commitments Out of All Customer Media

Type	Unit	2013	2014	2015
Portion of smartphone subscriptions	%	38.17%	41.91%	45.52%

### Total Downloads of Smart Asset Management Services by Medium

Type	Unit	2013	2014	2015
Android	cases	248,027	776,560	1,263,156
IOS	cases	198,770	346,830	459,244

## Social Contribution Activities

### Amount of the Money Donated

Type	Unit	2013	2014	2015
Regular sponsorship	KRW million	363	330	341
One-time transient sponsorship	KRW million	1,723	904	964
Total	KRW million	2,086	1,234	1,305

### Amount of Donations to Community

Type	Unit	2013	2014	2015
Rate of donations to educational scholarships	%	81.3%	79.1%	74.6%
Rate of donations to social welfare	%	18.4%	20.5%	25.1%
Rate of donations to emergency disasters	%	0.0%	0.0%	0.0%
Rate of donations to community	%	0.2%	0.4%	0.3%
Total amount of Mirae Asset Securities' donations to Mirae Asset Park Hyeon Joo Foundation	KRW million	1,753	1,844	2,600

### Status of Selecting Scholarship Students

Type	Unit	2013	2014	2015
Domestic scholarship students	persons	200	200	31
Overseas exchange scholarship students	persons	350	350	400
Global investor scholarship students	persons	8	-	-

# Environmental Performance Data

Financial Data
Economic Performance Data
Social Performance Data
<u>Environmental Performance Data</u>

## Performance of Eco-friendly Management

### Amount of Energy Used (electricity)

Type	Unit	2013	2014	2015
Headquarters*	MWh	2,046	1,767	1,721
IT Center	MWh	5,252	4,814	5,488
Total	MWh	7,298	6,581	7,209

\*11,341 m<sup>2</sup> exclusive for the headquarters

### Amount of Heating Used

Type	Unit	2013	2014	2015
Headquarters	Gcal	914.39	694.62	661.41

### Fuel for Vehicles (Gasoline)

Type	Unit	2013	2014	2015
Company total*	Liter	544,289	277,276	300,949

\*Calculating based on the average price in gas stations nationwide of that year

### GHG Emissions

Type	Unit	2013	2014	2015
Scope1 (company total)*	tonCO <sub>2</sub> eq	1156.3	589.1	639.3
Scope2 (headquarters)	tonCO <sub>2</sub> eq	962.6	831.4	809.7
Scope2 (branches)	tonCO <sub>2</sub> eq	2,471.5	2,265.1	2,581.9
Total	tonCO <sub>2</sub> eq	4,590.4	3,685.6	4,030.9

\*Based on the amount of gasoline used

### Amount of Water Resources Used

Type	Unit	2013	2014	2015
Headquarters	ton	11,707	11,625	12,017
IT Center	ton	27,287	25,596	28,763
Total	ton	38,994	37,221	40,780

### Amount of Waste Emissions

Type	Unit	2013	2014	2015
Headquarters*	kg	37,500	37,500	37,500

\*Applying 250 business days of the daily usage amount (150kg)



# APPENDIX

• Third Party's Assurance Statement	66
• GRI G4 Contents Index	68
• UNGC Principle	72
• Awards and Memberships	73
• Glossary	74
• List of Authors	75

# Third Party's Assurance Statement

**Third Party's Assurance Statement**

[GRI G4 Contents Index](#)

[UNGC Principle](#)

[Awards and Memberships](#)

[Glossary](#)

[List of Authors](#)

## To the Readers of 2015 Mirae Asset Securities Sustainability Report

### Foreword

Korea Management Association Registration Inc. (hereinafter "KMAR") has been requested by of Mirae Asset Securities to verify the contents of its 2015 Sustainability Report (hereinafter "the Report"). Mirae Asset Securities is responsible for the collection and presentation of information included in the Report. KMAR's responsibility is to carry out assurance engagement on specific data and information in the assurance scope stipulated below.

### Scope and Standard

Mirae Asset Securities describes its efforts and achievements of the sustainability activities in the Report. KMAR performed a Type 1, moderate level of assurance using AA1000AS (2008) as an assurance standard. KMAR's assurance team (hereinafter "the team") evaluated the adherence to Principles of Inclusivity, Materiality and Responsiveness, where professional judgment of the team was exercised as materiality criteria.

The team checked whether the Report has been prepared in accordance with the 'Core Option' of GRI G4 which covers the followings.

- Reporting Principles
- General Standard Disclosures
- Specific Standard Disclosures
  - Generic DMA of each of following material aspects
  - Economic Performance: EC1
  - Energy: EN3
  - Water: EN8
  - Emissions: EN15, EN16
  - Effluents and Waste: EN23
  - Employment: LA1, LA2, LA3
  - Training and Education: LA9, LA10, LA11
  - Labor Practices Grievance Mechanisms: LA16
  - Local Communities: SO1
  - Product and Service Labeling: PR3, PR4, PR5
  - Customer Privacy: PR8
- Financial Services Sector Disclosures: FS6, FS11, FS13, FS14

This Report excludes a data and information of joint corporate, contractor etc. which is outside of the organization, i.e. Mirae Asset Securities, among report boundaries.

### Our Approach

In order to verify the contents of the Report within an agreed scope of assurance in accordance with the assurance standard, the team has carried out an assurance engagement as follows:

- Reviewed overall report
- Reviewed materiality test process and methodology
- Reviewed sustainability management strategies and targets
- Reviewed stakeholder engagement activities
- Interviewed people in charge of preparing the Report

**Third Party's Assurance Statement**[GRI G4 Contents Index](#)[UNGC Principle](#)[Awards and Memberships](#)[Glossary](#)[List of Authors](#)**Our Conclusion**

Based on the results we have obtained from material reviews and interviews, we had several discussions with Mirae Asset Securities on the revision of the Report. We reviewed the Report's final version in order to confirm that our recommendations for improvement and our revisions have been reflected. When reviewing the results of the assurance, the assurance team could not find any inappropriate contents in the Report to the compliance with the principles stipulated below. Nothing has come to our attention that causes us to believe that the data included in the verification scope are not presented appropriately.

**Inclusivity**

Inclusivity is the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

- Mirae Asset Securities is developing and maintaining stakeholder communication channels in various forms and levels in order to make a commitment to be responsible for the stakeholders. The assurance team could not find any critical stakeholder Mirae Asset Securities left out during this procedure.

**Materiality**

Materiality is determining the relevance and significance of an issue to an organization and its stakeholders. A material issue is an issue that will influence the decisions, actions, and performance of an organization or its stakeholders.

- Mirae Asset Securities is determining the materiality of issues found out through stakeholder communication channels through its own materiality evaluation process, and the assurance team could not find any critical issues left out in this process.

**Responsiveness**

Responsiveness is an organization's response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions, and performance, as well as communication with stakeholders.

- The assurance team could not find any evidence that Mirae asset' counter measures to critical stakeholder issues were inappropriately recorded in the Report.

We could not find any evidence the Report was not prepared in accordance with the 'Core Option' of GRI G4.

**Recommendation for Improvement**

We hope the Report is actively used as a communication tool with stakeholders and recommend the following for improvements.

- Mirae asset is advised to systematize internal system such as data selection analysis and reporting to secure reliability of publishing information.
- And to support the decisions of stakeholders, organize report mainly with quantitative indicators which required by GRI

**Our Independence**

With the exception of providing third party assurance services, KMAR is not involved in any other Mirae Asset Securities business operations that are aimed at making profit in order to avoid any conflicts of interest and to maintain independence.

June, 24<sup>th</sup>, 2016

**AA1000**  
Licensed Assurance Provider  
000-129

*K. H. Park*  
CEO **Ki Ho Park**

# GRI G4 Contents Index

[Third Party's Assurance Statement](#)
[GRI G4 Contents Index](#)
[UNGC Principle](#)
[Awards and Memberships](#)
[Glossary](#)
[List of Authors](#)

## General Standard Disclosure

Index	Indicators	Assurance	Page	Contents
Strategy and Analysis				
G4-1	CEO Message	●	4	CEO Message
Organizational Profile				
G4-3	Name of organization	●	8	Company Profile
G4-4	Primary brand, products and / or services	●	8	
G4-5	Location of organization's headquarters	●	8	
G4-6	Number of countries where the organization operates, name of countries with locations of major operations, or with specific relevance with sustainability issues covered in the report	●	8	
G4-7	Nature of ownership and legal form	●	8	
G4-8	Markets served (geographic breakdown, sector served, and customer / beneficiary type)	●	8~11	Business Areas
G4-9	Scale of the organization	●	8	Company Profile
G4-10	Total workforce by employment type, employment contract and region	●	59	General Employee and Executives
G4-11	Percentage of employees covered by collective bargaining agreements	●	-	Not applicable
G4-12	Major characteristics of the supply chain related to the organization's major activities, products and services	●	10~11	Business Areas
G4-13	Major changes of corporation volume, organization structure and ownership structure	●	4	CEO Message
G4-14	Whether and how the precautionary approach or principle is addressed by the organization	●	46~47	Risk Management
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	●	72	UNGC Principle
G4-16	Memberships of associations and national international advocacy organizations	●	73	Awards and Memberships
Identified Materiality Aspects and Boundaries				
G4-17	All entities included in the organization's consolidated financial statements or equivalent documents	●	9	Company Profile
G4-18	Process for defining report content	●	54~55	Materiality Assessment
G4-19	Materiality aspects identified in the process of defining the report content	●	54~55	
G4-20	Aspect Boundary within the organization	●	2	About this Report
G4-21	Aspect Boundary outside the organization	●	2	
G4-22	Effect of any re-statements of information provided in previous reports, and the reasons for such re-statement	●	-	
G4-23	Significant changes from previous reporting periods in the scope, boundaries or measuring methods	●	2	
Stakeholder Engagement				
G4-24	List of stakeholder groups engaged by the organization	●	54	Stakeholder Engagement
G4-25	Basis for identification and selection of stakeholders with whom to engage	●	54	
G4-26	Stakeholder engagement approach, including frequency by type and by stakeholder group	●	54	
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	●	54	



Index	Indicators	Assurance	Page	Contents
Report Profile				
G4-28	Reporting period	●	2	About this Report
G4-29	Date of most recent previous report	●	2	
G4-30	Reporting cycle	●	2	
G4-31	Contact point for questions regarding the report or its contents	●	2	
G4-32	GRI Content Index	●	2	
G4-33	Policy and current practices with regard to seeking external assurances for the report	●	2	
Governance				
G4-34	The governance structure of the organization, including committees of the highest governance body; any committees responsible for advising the council in decision-making on economic, environmental and social impacts	●	44	Corporate Governance
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topic	●	44	
G4-38	Composition of the highest governance body and its committees	●	44	
G4-39	Whether the Chair of the highest governance body is also an executive office	●	44~45	
G4-40	The nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	●	45	
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed	●	44~45	
G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	●	45	
G4-45	The highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities	●	44~45	
G4-47	Frequency of the BOD reviewing the economic, environmental and social impacts, risks, and opportunities	●	44	
G4-51	Remuneration policies for the highest governance body and senior executives	●	45	
Ethics and Integrity				
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	●	48	Compliance Management
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	●	49	
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity	●	48	

## Specific Standard Disclosure

	Index	Indicators	Assurance	Page	Contents
Economy	Economic Performance				
	G4-DMA	Generic DMA	●	58	Economic Activities
	G4-EC 1	Direct economic value generated and distributed	●	58	
Environment	Energy				
	G4-DMA	Generic & Aspect Specific DMA	●	53	Eco-friendly Management
	G4-EN3	Energy consumptions within the organization	●	64	Amount of Energy Used
	Water				
	G4-DMA	Generic DMA	●	53	Eco-friendly Management
	G4-EN8	Total water withdrawal by source	●	64	Amount of Water Resources Used
	Emissions				
	G4-DMA	Generic DMA	●	53	Eco-friendly Management
	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	●	64	GHG Emissions
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	●	64	GHG Emissions
	Effluent and Waste				
	G4-DMA	Generic DMA	●	53	Eco-friendly Management
	EN23	Total weight of waste by type and disposal method	●	64	Amount of Waste Emissions
Labor Practice and Decent Work	Employment				
	G4-DMA	Generic & Aspect Specific DMA	●	51	Talent Management
	G4-LA1	Total number and rate of new employee hires and employee turnover (by age, gender and region)	●	59	General Employee and Executives
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	●	52	Welfare Benefit Considering Employee' Lifecycle
	G4-LA3	Return to work and retention rates after parental leave, by gender	●	60	Status of Maternity Leave
	Training and Education				
	G4-DMA	Generic DMA	●	35	Development of Global Talents
	G4-LA9	Average hours of training per year per employee	●	61	Employee Education
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	●	38	Knowledge Asset Program
	G4-LA11	Percentage of employees receiving regular performance and career development reviews (by gender and employee category)	●	59	Rank-Specific Performance and Ratio of Competency Evaluation
	Labor Practice Grivance Mechanisms				
	G4-DMA	Generic & Aspect Specific DMA	●	51	Talent Management
	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	●	51	Grievance Handling System and Employee Communication

	Index	Indicators	Assurance	Page	Contents
Society	<b>Local Communities</b>				
	G4-DMA	Generic & Aspect Specific DMA	●	39	Social Contribution
	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	●	39	Social Contribution
	G4-FS13	Access points in low-populated or economically disadvantaged areas by type	●	25	Improvement of Web Accessibility for the Socially Underprivileged
	G4-FS14	Initiatives to improve access to financial services for disadvantaged people	●	25	Improvement of Web Accessibility for the Socially Underprivileged, Social Contribution
Product Responsibility	<b>Product and Service Labeling</b>				
	G4-DMA	Generic & Aspect Specific DMA	●	16	Protection of Financial Consumers
	G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	●	16	Activities to Protect Financial Consumer by Product Lifecycle
	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	●	16	Activities to Protect Financial Consumer by Product Lifecycle
	G4-PR5	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	●	21	WM Seminars from 2014 to 2015
	<b>Product Portfolio</b>				
	G4-DMA	Sector Specific Aspect DMA	●	28	Differentiated Competitiveness for Asset Management
	G4-FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro / SME / large) and by sector	●	29	Asset Allocation Committee
	<b>Active Ownership</b>				
	G4-DMA	Sector Specific Aspect DMA	●	27	SRI Funds and Investment
	G4-FS11	Percentage of assets subject to positive and negative environmental or social screening	●	27	SRI Funds and Investment
	<b>Customer Privacy</b>				
	G4-DMA	Generic DMA	●	20	Protection of Customer Information
	G4-PR8	Total number of substantiated complaints regarding breaches of customers' privacy and losses of customer data	●	-	Zero case

# UNGC Principle

[Third Party's Assurance Statement](#)
[GRI G4 Contents Index](#)
[UNGC Principle](#)
[Awards and Memberships](#)
[Glossary](#)
[List of Authors](#)

Mirae Asset Securities joined a global initiative called the UN Global Compact to fulfill CSR by complying with principles on human rights, labor, environment and anti-corruption. Ten principles of the UN Global Compact were abided by the following efforts: respecting human rights and basic labor rights, developing green products to respond to climate change, reducing the ecological footprint, and reinforcing monitoring and management to eradicate unfair acts. Being a member of the UN Global Compact implies the Company's commitment for sustainability to bolster long-term growth and social capital.

## UNGC's Ten Key Principles

Area	Principle	Related Activities	Page
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights.	<ul style="list-style-type: none"> <li>• Compliance with ILO guidelines and 10 principles of the UN Global Compact</li> <li>• Operation of ethics management education programs</li> </ul>	50
	2. make sure that they are not complicit in human rights abuses.	<ul style="list-style-type: none"> <li>• Implementation of Labor-management Council</li> </ul>	54
Labor	3. Businesses should uphold the freedom of association and recognize the right to collective bargaining.	<ul style="list-style-type: none"> <li>• Implementation of Labor-management Council</li> </ul>	54
	4. eliminate all forms of forced and compulsory labor.	<ul style="list-style-type: none"> <li>• Compliance with ILO guidelines and 10 principles of the UN Global Compact</li> </ul>	-
	5. the effective abolition of child labor.		
	6. the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> <li>• Conducting competency-based open recruitment</li> </ul>	53
Environment	7. Businesses should support a precautionary approach to environmental challenges.	<ul style="list-style-type: none"> <li>• Practicing energy saving</li> <li>• Energy-savings and greenhouse gas reduction management</li> <li>• Water, resource and waste management</li> <li>• Raising the environmental awareness of employees and establishing a green office</li> </ul>	55
	8. undertake initiatives to promote greater environmental responsibility.	<ul style="list-style-type: none"> <li>• Initiating eco-friendly management</li> <li>• Environmental performance management</li> </ul>	55, 66
	9. encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> <li>• Social Responsible Investment (SRI) funds and investment</li> </ul>	29
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and futures bribery.	<ul style="list-style-type: none"> <li>• Compliance Officer and Compliance Department</li> <li>• Cultivation of ethical awareness among employee through ethics management</li> <li>• Compliance checklist</li> <li>• Ethical management and compliance pledge</li> <li>• Integrity pledge</li> <li>• Prohibitions of giving or accepting money, valuable goods, entertainment, or other extraordinary gifts</li> <li>• Sending letters on ethical management to partner companies</li> </ul>	50~53



# Awards and Memberships

[Third Party's Assurance Statement](#)
[GRI G4 Contents Index](#)
[UNGC Principle](#)
[Awards and Memberships](#)
[Glossary](#)
[List of Authors](#)

## Awards

Awards	Organizer	Date
2016 Financial Investment Award – Prize of Excellence in asset management	eDaily	Apr. 2016
13 <sup>th</sup> Korea IB Award – IB Deal of Top Excellence	Money Today	Feb. 2016
Capital Market League Table Award – Best Paid-in Capital Increase Issuer	Money Today	Jan. 2016
2016 Maekyung Securities Award	Maeil Economy	Jan. 2016
2 <sup>nd</sup> Korea Retirement Pension Award – Grand Prize in Retirement Pension and Ministerial Prize of Employment and Labor	Korea Economic Daily	Dec. 2015
5 <sup>th</sup> 2015 Market Leader Award – Prize of Excellence in asset management	Etoday Economic Daily	Dec. 2015
2015 Asia Capital Investment Award – Prize of Excellence in asset management	Asia Economy	Dec. 2015
3 <sup>rd</sup> Best MTS Award – Prize of Excellence in financial products	Money Today	Nov. 2015
2015 Asia Today's Financial Award – Prize of Top Excellence in 'customer asset management'	Asia Today	Sep. 2015
2015 Korea Mobile Trading System (MTS) Evaluation Award – Prize of Top Excellence in business distinctiveness	Korea Economic Daily	Jun. 2015
2015 Herald Economy's Capital Market Award – Grand Prize in asset management	Herald Biz	Apr. 2015
2015 e-Daily Financial Investment Award – Prize of Top Excellence in the sales of retirement pension	eDaily	Apr. 2015
Maeil Business Newspaper's 1 <sup>st</sup> Korea Retirement Pension Award – Prize of Top Excellence in securities of retirement pension business operators	Maeil Economy	Mar. 2015
Korea Exchange's 2015 Compliance Award – Prize of Excellence in the prevention of securities dispute	KRX	Jan. 2015
4 <sup>th</sup> Market Leader of the Year Award – Prize of Excellence in MTS	Etoday Economic Daily	Dec. 2014
2014 Asia Capital Investment Award – Prize of Excellence in retirement pension	Asia Economy	Dec. 2014
1 <sup>st</sup> Money Today Pension Award – Prize of Excellence in comprehensive evaluation	Money Today	May 2014

## Major Membership

Financial Vision Forum of the 21 <sup>st</sup> Century	Fair Competition Federation	Korea Financial Investment Association
Association of High Potential Enterprises of Korea	Korea Listed Companies Association	Seoul IB Forum
The Seoul Chamber of Commerce & Industry	Seoul Bar Association	Korea Capital Market Institute
Creditor Financial Institution Committee	Korea Association for Chief Financial Officers	The Federation of Korean Industries
Korea Listed Companies Association	Korean Securities Law Association	Korean Securities Association

# Glossary

[Third Party's Assurance Statement](#)
[GRI G4 Contents Index](#)
[UNGC Principle](#)
[Awards and Memberships](#)
[Glossary](#)
[List of Authors](#)

Terminologies	Meanings
AI (Alternative Investment)	An instrument of investing in unconventional investment targets instead of conventional investment products such as stocks or bonds, which might vary from private equity funds and hedge funds to real estate, venture capitals, raw materials and ships
ABS (Asset-Backed Securities)	Bonds issued with various forms of assets as collateral including corporate real estate
DB (Defined Benefits)	Defined Benefits (DB)-type retirement pension where the pension benefits are determined in a certain ratio of the standard wages for a certain period of time before the final wage or retirement, so pension benefits of workers are defined beforehand, and the reserve burden of users might vary depending on the outcome of managing the reserves
DC (Defined Contribution)	Defined Contribution in which a company deposits the money used for paying retirement benefits in an external financial institution and the retirement benefits fluctuates depending on the management performance. The employee personally manages his deposits and the retirement benefits alter depending on the management outcome
DLB (Derivative-Linked Bonds)	Derivatives Linked Bond guarantees the principal of Derivatives Linked Securities (DLS) guaranteed
DLS (Derivative-Linked Securities)	Derivatives Linked Securities in which investment yield is determined by the interest rate or foreign exchange rate, or the price of such commodities as gold, crude oil and raw materials
ELB (Equity-Linked Bonds)	Equity Linked Bond guarantees the principal of Equity Linked Securities
ELS (Equity-Linked Securities)	Equity Linked Securities in which the investment yield is determined by the individual stock price or stock index
ETF (Exchange Traded Funds)	An index fund designed to obtain the yield of specific indexes including KOSPI200 and KOSPI50
ETN (Exchange Traded Note)	An exchange traded note listed in an exchange just like the ETF (Exchange Traded Fund) to be easily tradeable
Phishing	A financial scam which unfairly secures information requiring secret information including a password and a credit card number; an email or a messenger is used to pretend that a reliable person or a company sent it
Pharming	Deposit withdrawal using the information leaked by stealing financial information by being induced to a pharming site even when users log onto the website of a financial company via 'bookmark' in the Internet or a portal site on a malware-affected PC
HTS (Home Trading System)	Home Trading System which allows private investors to trade stocks at home or in an office without going to the stock market
IPO (Initial Public Offering)	The sale of equity shares or other financial instruments by an organization to the public in order to raise funds for business expansion and investment
ISA (Individual Savings Account)	A personal comprehensive asset management account which is to be mandatorily maintained for 3~5 years from the point of subscription, and might include investment products which are vulnerable to risks of losing the principal
MTS (Mobile Trading System)	A smartphone-based stock trading system beyond the PC-based home trading system
No knock-in	An investment structure of ELS which can just meet the last repayment condition upon maturity without a standard loss floor for the investment principal – knock-in barrier – among ELS (Equity Linked Securities) products
PEF (Private Equity Fund)	Private Equity Fund – It is a form of a limited partnership according to the Commerce Code where private asset is invested into management participation to raise the value of the company and to yield higher dividends. After unofficially financing a huge amount of fund over a long term from a small number of investors, investment is made in bond, real estate, NPLs and corporate control for high yield
PF (Project Financing)	Project Financing – to finance fund for a project detached from a business owner. It is a fund structure in which fund providers decide on loan extension by prioritizing on the project's cash flow and have their principal and yield returned for the investment they make for the project
PI (Principal Investment)	A type of investment of a financial institution obtaining the return by investing its own money in stocks, bonds, real estate and M&A financing
SRI (Social Responsible Investment)	Financial activities to investment in companies by considering diverse social performances – human rights, environment, labor and contribution to community beyond corporate financial performance
Investment in SOC (Social Overhead Capital)	A private capital inducement scheme to complement a shortage of the government's finance and bring in efficiency of the private sector to the public one in expanding the SOC, or infrastructure essential for vibrant economic activities; it is not directly used in production activities including road, ports and railway
Wrap Account	Product in which a financial asset manager of a securities company provides appropriate management services on customers' depository asset depending on their investment propensity and in return receives a fixed amount of fees

# List of Authors

[Third Party's Assurance Statement](#)
[GRI G4 Contents Index](#)
[UNGC Principle](#)
[Awards and Memberships](#)
[Glossary](#)
[List of Authors](#)

Project management		
Business Strategy Team		Kang, Kyung Tak
		Jeong, Jong Yoon
Mirae Asset exists for customers		
Financial consumer protection	Financial Consumer Protection Team	Choi, Yeong Il
		Lim, Kun Taek
	Information Security Team	Shin, Ho Sang
Enhancement of customer values		Choi, Jong Yoon
	Investment Product Marketing Team	Shim, Sang Yong
		Kim, Ju Young
	Customer Service Team	Cho, Hye Lin
Smart Asset Management Service	Customer Experience Innovation Team	Lee, Seung Mok
		Jeong, Ji song
We have independence and competitive advantages as a professional investment group		
Development of competitive products	Investment Product Development Team	Nam, Jin Woo
Differentiated competitiveness for asset management	Global Asset Allocation Team	Jung, Yu Jung
Advancement into the global financial market	Global Business Strategy Team	Cho, Kyung Shin
We respect individuals and trust the value of team play		
Development of global talents	HR Team	Chang, Eun Seok
	HR Development Team	Kim, Jung Jae
Recognizing and practicing social responsibilities		
Social contribution	Mirae Asset Park Hyeon Joo Foundation	Lee, Mun Ju
Management Report		
Risk management	Risk Management Team	Kim, Sue Ah
		Kang, So Yeon
Compliance	Compliance Team	Kim, Jun Young
Eco-friendly management	General Affairs Team	Jang, Won Hong

## 2016 Mirae Asset Securities Sustainability Report

# Sustainability Report 2016

Mirae Asset Securities' website, [www.smartmiraeasset.com](http://www.smartmiraeasset.com) offers a variety of information on Mirae Asset Securities. This report is available in a pdf file on the website. Feel free to contact us on feedback or inquiries about the Sustainability Report. We welcome your precious feedback.

### Contact Information

Mirae Asset Securities / Business Strategy Team

Mirae Asset CENTER1 B/D East Tower, 15F~19F,  
26, Eulji-ro 5-gil, Jung-gu, Seoul Korea

TEL: 02-3774-6708

FAX: 02-3774-6705

E-mail: [sustainability@miraeasset.com](mailto:sustainability@miraeasset.com)

